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ABSTRACT

This report describes the Canadian labor force and economic climate, and the employment and manpower policies which comprise Canada's active manpower policy. Expanded programs for vocational and technical training are recommended, especially for unemployed youth. (BH)

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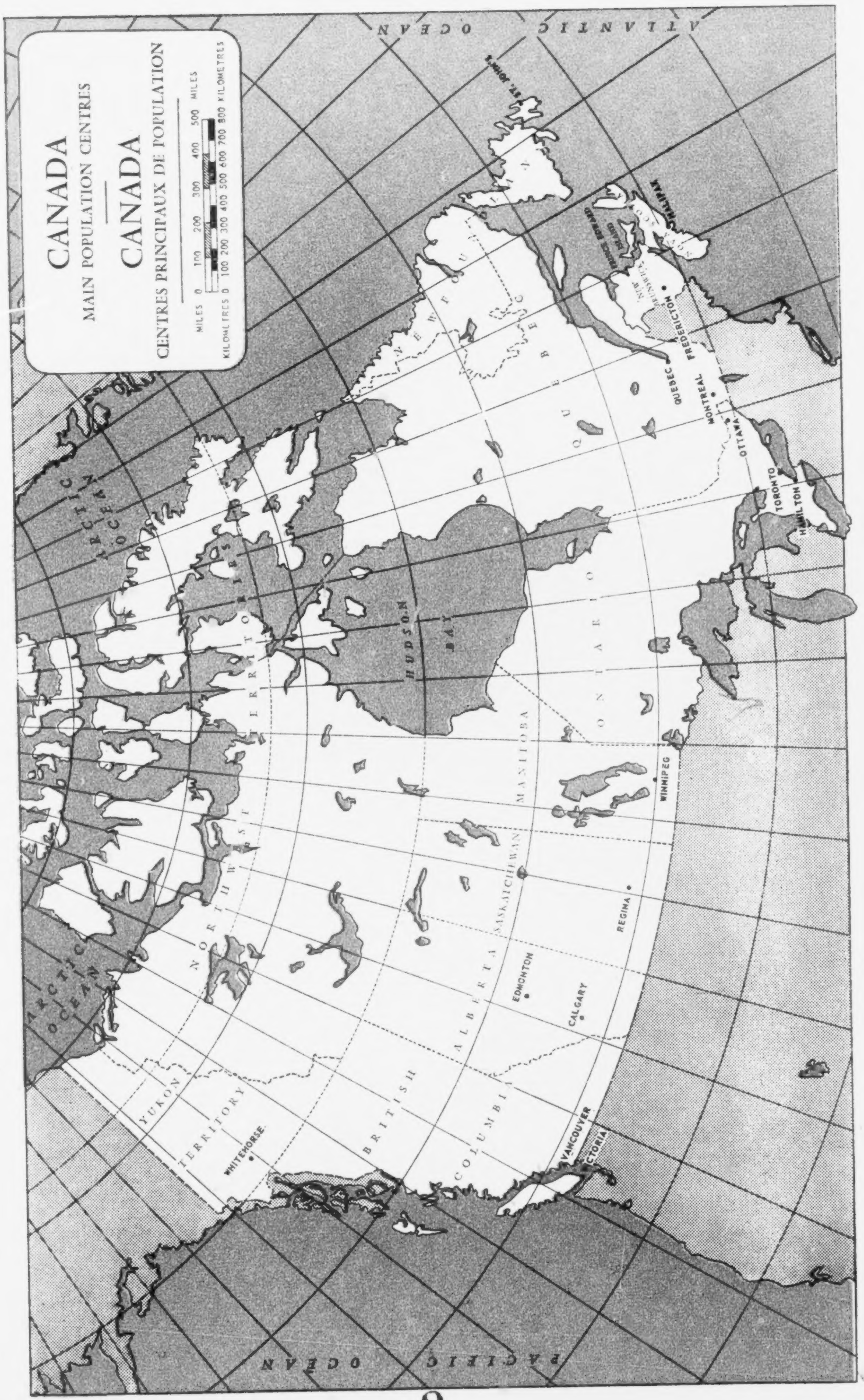
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The members of OECD are Austria, Belgium, Canada, Denmark, France, the Federal Republic of Germany, Greece, Iceland, Ireland, Italy, Japan, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States.

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FOREWORD

Examinations of individual country manpower and social policies and their methods of implementation constitute one of the procedures of analysis followed by the Manpower and Social Affairs Committee to forward its purpose of promoting effective national manpower and social systems to realize OCDE's objectives of a high level of economic growth, consisting of a 50 per cent increase in gross national product in the sixties, and a rising standard of living among the people of the Member countries.

The examinations have four objectives;

1. to define and highlight the views, experience and innovations in manpower and social policies in each country and particularly those areas of interest to other countries;
2. to present approaches and lines of action derived from the experience of other countries which may be helpful in the consideration of current problems and the attainment of national goals;
3. to indicate areas requiring further development for the realization of an active manpower policy; and
4. to provide the basis for the review by the Manpower and Social Affairs Committee of policy issues affecting Member countries as a whole.

The existence of an agreement among all Member countries on broad economic and social goals and the effort of each country to achieve them allows the examination of each individual country's experience to become the opportunity for an instructive re-evaluation of the programmes and experience of all other Member countries.

The present review deals with manpower and social problems, programmes and policies in Canada. The Examiners appointed by OECD were : Professor Brinley Thomas, Professor of Economics, University of Wales, Cardiff, Wales; Mr Marcel Graeve, Administrateur Civil, Direction Générale du Travail et de l'Emploi, Ministère du Travail, France; and Mr Raymond D. Larson, Assistant to the Director, Office of Manpower, Automation and Training of the United States Department of Labor.

The examiners visited Canada in January, 1965, and prepared their report, together with a list of questions for the Canadian authorities.

The Examiners' report and the background report submitted by the Canadian Authorities were discussed at the 10th meeting of the Manpower and Social Affairs Committee from 28th-30th April, 1965 when the following members of the Canadian Department of Labour replied to questions raised by the examiners and by members of the Committee : Dr. W. R. Dymond, Assistant Deputy Minister; Mr William Thomson, National Director of the National Employment Service; Dr. Ross Ford, Director of the Technical and Vocational Training Branch of the Department of Labour; Dr. Robert M. Adams, Labour Counsellor, Canadian Embassy, Brussels; and Mr John Mainwaring, Director of the International Labour Affairs Branch. A full written reply to the examiners' questions was later submitted by the Canadian Authorities.

The Canadian Department of Labour invited Mr Solomon Barkin, Deputy to the Director of the Manpower and Social Affairs Directorate and Head of Social Affairs Division, to present the basic materials of the Canadian Examination to a Conference attended by provincial Deputy Ministers of Labour and their senior associates. The subsequent full discussion provided an opportunity to learn the views and experiences of these officials which were also taken into account in the final statement of conclusions.

The Manpower and Social Affairs Committee, at its 11th meeting in September 1965, agreed to the publication of the three basic documents prepared in connection with the Examination of Canada and approved a statement of conclusions drawn from this examination.

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Part I

CONCLUSIONS OF THE OECD MANPOWER AND SOCIAL AFFAIRS COMMITTEE ON THE EXAMINATION OF CANADIAN MANPOWER AND SOCIAL POLICY

CONCLUSIONS OF THE OECD MANPOWER AND SOCIAL AFFAIRS COMMITTEE ON THE EXAMINATION OF CANADIAN MANPOWER AND SOCIAL POLICY

The Canadian Government has accepted the basic principles of an active manpower policy. The Minister of Labour has stated the goals of employment and manpower policy as follows : " ...employment policy can be expressed in terms of the achievement of high level, productive and freely chosen employment. High level includes reasonably continuous or sustained employment so that seasonal and cyclical fluctuations in employment are moderated to the extent possible. High level and sustained employment should also apply in all of the regions of Canada. ...manpower policy can be expressed in terms of ensuring that the nation's manpower resources are developed effectively so that they will meet the dynamic requirements of a growth in the economy, and also meet the needs of each individual for the full development of his potential in human terms. "

During the last few years, this commitment has been implemented through a series of new far-reaching programmes and administrative changes over the wide area of manpower and social policy. The vigour with which efforts in this area have been pressed and the resources assigned to these new programmes, show the determination to implement an active manpower policy. At the same time, some older instruments have been proved effective and, where they have been found faulty, have been modified or replaced with new programmes. The present effort to test and assure the effectiveness of the older programmes and introduce new ones suggests that the basic goals of the active manpower policy will be increasingly realized.

The assumption by government of the responsibility of providing a variety of incentives and facilities, aids, services and programmes for achieving these objectives is relatively new in Canada, a country accustomed to reliance on individual efforts and resources in the economic field. The system of economic decision-making is decentralized at the enterprise level, even as regards industrial relations and collective bargaining. In fact, collective bargaining affects directly only one-third of the working population. Further, as Canada is a federal rather than a unitary state, the national government acts directly only in a part of the total manpower area, and assists in providing financial resources, technical support and the stimulus for the programmes of Provincial Governments in other areas.

Canada is actively seeking a political and cultural consensus on its future. The existence of two main culture-language groups (English and French) reinforces the emphasis on progress through the achievement of an agreement on common goals and diversity in methods of implementation. The Economic Council of Canada, a non-political advisory body of 28 representatives of diverse industries, economic interests and regions, submitted its first unanimous report at the beginning of the year and defined a common set of assumptions for Canada's economic future. They include an annual rate of growth of 5.5 per cent, a far more ambitious level than that set by the United States or the OECD, 3 per cent unemployment, widespread participation in economic growth by all regions and economic groups, and reasonable price stability.

The realization of these targets is challenged by Canada's physical, demographic and economic setting. It is physically the largest OECD country with the lowest density of population (except for Iceland). Its economy is considerably dependent upon primary industries and their processed products, although manufacturing is increasing markedly in relative importance. Foreign trade represents one-fifth of the gross national product. With a per capita income level second only to the United States among OECD countries, Canada's industries and working population must constantly keep apace of the most advanced and sophisticated industrial nations.

The new determination of the national and provincial governments to provide leadership in introducing appropriate new economic and social policies comes at a time when employment, economic and manpower conditions are significantly different from the past. This necessitates the initiation of programmes for new purposes and the revamping of old ones where they are still relevant to the new circumstances.

Foremost among these new facts is the new period of industrial growth beginning in 1961 following on the recession from 1957 to 1961. Recovery brought the reduction of the unemployment rate to the low of 2.5 per cent in September 1965 (a seasonally adjusted rate of 3.6 per cent). In the period 1965-70 Canada faces an estimated annual increase in the labour force, or a need for new jobs, of 2.8 per cent annually, probably the highest rate for any industrially advanced country. In the age group from 20-24, the increase over this period is expected to be 33 per cent. At the end of the period, the female labour force may account for almost one-third of the total. The fast-growing youth population will be more educated than in the past but will be without work experience, and will enter a labour market which until recently depended to a considerable extent on immigrant labour for its skilled and experienced personnel. Therefore, the great challenge for Canada, which it has already recognized, is to provide the facilities for the training of its population in greater numbers and with the skills needed by industry. New programmes for jobs and training for the labour force have become a matter of great urgency, a responsibility recognized by the federal and provincial governments, as well as by the parties to industry.

Compounding the overall manpower problem are the significant changes occurring in patterns of occupational and industrial demand for workers, and the shifts in the geographical pattern of industrial growth and employment. Seasonal fluctuations in employment remain a net drain on the economy. They call for a continuation and intensification of the programmes to stabilize operations and employment opportunities.

MANPOWER AND SOCIAL POLICY DEVELOPMENT

The Government and the Economic Council of Canada have recognized the central importance of national manpower and social policy and the programmes to implement them for the realization of the nation's economic and social targets. The Federal Minister of Labour has been the cabinet officer responsible for appraising manpower and related social needs, for formulating proposals for policy and programmes and for representing the consideration of manpower policy in the government's discussions of economic and other national policies and programmes. He has been substantially assisted in these efforts by the action-oriented research of the Economics and Research Branch of the Department of Labour. The development of policy has also been inspired by the debates, conclusions and recommendations of the ILO on " full productive and freely chosen employment policy " and the OECD's " active manpower policy ". Labour and management have influenced the contents of the programmes through participation in the numerous advisory boards in specialised fields organised by the Department of Labour and by presentations before parliamentary and ministerial bodies. The policies and programmes have been formulated keeping in mind the respective federal and provincial responsibilities for administration, with the federal government continuing at all times to carry the responsibility for leadership, co-ordination and such financial assistance as might be desirable to assure the realization of the policy objectives.

The programmes have been characterised by clarity of purpose and close awareness of national economic needs. They are imaginative and reflect great initiative and willingness to experiment, test, revise and to substitute where necessary new for old methods. Among the most original of the new programmes are the winter employment schemes and the federal government service to aid labour and management in collective bargaining adjustments to technical change.

The clarity of purpose is reflected in the modification of the experimental Older Workers Incentive Programme and the insistence on job development for the underemployed and unemployed in depressed areas. The Government has shown its flexibility in transferring the National Employment Service to the Department of Labour and in defining its central role in ensuring the effective implementation of an active manpower policy. The Federal Department of Labour has been performing a crucial role of stimulation, technical support, standards development and leadership in the areas where the provinces, for constitutional reasons, have primary responsibility such as vocational and technical training.

To maintain the initiative in devising new programmes, to change the emphasis among programmes as new conditions develop, and to identify the economic interests of provinces and local communities with this effort, a central national advisory board representative of management, labour and other interested groups on manpower policy might be worthy of consideration. Similarities of representation on this board and the Economic Council would help provide for intimate co-ordination of views and attitudes among the private parties and provinces respecting economic, manpower and social policy.

FEDERAL ECONOMIC AND EMPLOYMENT PROGRAMMES AND MANPOWER ACTIVITIES

The role of the manpower authorities in the evolution of economic and employment policy is illustrated by their activities at the time of the recession at the end of the fifties and in recent periods of expansion. Sharing in the development of general economic policy, they nevertheless perceived that specific employment programmes were required to meet specific problems. These lead to undertakings to stimulate employment in the winter months, first through municipal winter works and later through winter housebuilding, the development of improved incentives for the substantial expansion of vocational training facilities and programmes, and, in-co-operation with other departments, the location of enterprises in depressed areas.

The Minister of Labour has played a key role in the formulation of the government's broad economic programme, which has been expansionist in outlook. In the spring of 1965, the Government announced a 10 per cent cut in personal income tax and other measures to encourage the maintenance of high levels of economic activity. The recent decision to spread the federal works programme, particularly in large metropolitan areas, over longer periods and to stimulate employment in depressed areas, reflects a determination to restrict the effects on labour shortage areas and to continue the stimulation from public works and industrial development in labour surplus areas.

This attention to the demand side of the manpower problem is a necessary responsibility of the manpower authorities concerned with the promotion of an active manpower policy. The Economics and Research Branch of the Department of Labour engages in economic analysis and forecasting to appraise trends and problems. It should be adequately staffed, not only to discharge these important functions, but also to enable the authorities to make independent estimates of the economic and employment programmes in the light of the manpower and social objectives. Manpower authorities should continue their programme of analysis and feel responsible for proposing appropriate economic and employment policies to attain the employment goals.

Among the most successful efforts in the field of employment stabilization has been that to stimulate winter employment, both to provide jobs and to correct traditional seasonal patterns of activity within the construction industry. Especially noteworthy is the winter housebuilding incentive programme which grants $ 500 per house to each house owner who builds during the winter months. In 1964-65, the government spent $ 14 million on this programme : each dollar of government money resulted in home building of $ 40 : while 205,000 winter jobs were provided. The educational work done to spread the information on new construction practices favouring winter building is also most useful and will benefit other countries as well.

As regards the underemployed and unemployed in depressed areas, the manpower authorities have three interests; to provide them with immediate employment, to aid in their selective out-migration, and finally to assist in the economic development of the area through upgrading its manpower resources. The Department of Labour plays a significant role in defining the areas in which new enterprises or production facilities can qualify for grants or tax concessions by locating within them. The latter efforts are necessarily long term in character and the manpower authorities must therefore continue to focus on providing immediately more employment opportunities for the immobile groups such as are made available by the municipal winter works programmes. The reinvigorated National Employment Service should play an important part by providing assistance, through co-operation with provincial and local authorities, in community development work and the upgrading of the local labour force to aid in stimulating employment through local efforts.

The major federal industrial and regional development functions are vested in the Department of Industry or special bodies such as the Atlantic Development Board. These programmes demand and depend upon the steady expansion of public services and facilities, the discovery of hidden potentials, the changing balances of locational advantages of different areas and the overflow of opportunities in industrially mature areas in prosperous periods. Fortunately the depressed regions are benefiting from a high level of business activity. Large new enterprises are locating in Eastern Quebec and the Atlantic provinces, in part because of the special grants and tax incentives. Training activities in these areas are being accelerated to prepare people for skilled jobs and future employment opportunities. These programmes are long term in nature and should be supplemented by government programmes for immediate employment to improve the social infra-structure and upgrade the human resources of the depressed areas.

NATIONAL EMPLOYMENT SERVICE

The transfer of the National Employment Service from the Unemployment Insurance Commission to the Department of Labour in 1965 constituted a step long urged by many bodies. It is hoped thereby to broaden the functions of the Service beyond those commonly associated with it, i.e. those of checking on and placing unemployed, to those of serving the full range of groups in the labour market. The transfer should provide the Service with the resources for increasing and upgrading its staff and providing better services for the individual worker and employer and the local and national labour markets. Recent improvements in employment counselling and the employer visiting programme have been helpful steps, but both need careful review to assure their maximum effectiveness. To function as a control body in the local labour market, local offices must be able to provide information on the short and long-run labour market developments necessary for making choices and decisions. The ambition of the Service to attain a higher penetration rate (proportion of NES placements of total hirings) over the full range of occupations and industries provides a meaningful objective by which to test the success of current efforts at improving the Service. Many new services are required and the priority for their introduction should be determined on the basis of careful studies. The local offices may in time serve as a basis for constructing true local manpower agencies throughout the country, integrating the various services and facilities available, and thus aiding the effective organisation of the local labour market.

The Government has introduced a new Manpower Mobility Assistance Programme, to be administered by NES, for all areas of the country, by establishing two funds totalling $ 10 million for both loans and grants for the movement of unemployed workers and their families, and resettlement allowances of up to $ 1,000 per family. It will be able to test the efficacy of this programme as a means of facilitating geographical mobility to ease the strains in labour shortage areas.

IMMIGRATION POLICY

Canadian immigration policy has been founded to a large extent on the need for general population expansion. Immigration was a major source of skilled labour in the first ten years after the war, but it has played a somewhat less important role in recent years. Current emphasis is on the training of the population for skilled, technical and professional jobs. Nevertheless, immigration will play a continuing role in helping to meet urgent requirements for many categories of skilled and technical manpower. The duplication of placement functions by the Labour and Immigration Departments does create confusion in the labour market. Consideration should be given to the transfer, in due course, of the placement functions to the Employment Service leaving the counselling and adjustment services in the Immigration Department. The latter should particulary assure adequate language instruction, the use of available vocational training facilities and the solution of individual adjustment problems to facilitate economic, social and political integration. The Immigration Department has moreover assumed a large degree of responsibility for encouraging highly-trained Canadians in the United States to return to their own country to make up for the skill shortages.

PERSONNEL POLICY AND INDUSTRIAL RELATIONS

The achievement of the goals of an active manpower policy depends upon the development of policies and programmes at the establishment level which advance the same objectives. The individual enterprises should work out and maintain manpower adjustment programmes which would assure the maximum of adaptation of employees to the changing job demands. To encourage and aid such planning and the adoption of such plans, the Labour Department has recently organised a Manpower Consultative Service which provides finances for research and development of plans, and funds to aid in geographical mobility. Monies for occupational adjustment can be obtained from the vocational training programmes. An encouraging number of companies and unions have already agreed to undertake such planning. This is an experiment which should provide useful experience for other countries.

The Department should continuously and actively develop additional means for encouraging unions and management to plan and establish programmes to encourage effective manpower adjustments at the enterprise and industry levels. The experiences with the adjustment programme for automobile workers instituted with the Canadian-United States free trade agreement on automobiles, may also be a useful base for broader programmes.

FEDERAL-PROVINCIAL AND PROVINCIAL ACTIVITIES

In Canada, a federal state, the development and implementation of manpower policy must adapt itself to the division of powers between the federal and provincial governments. In those areas in which the federal government alone has jurisdiction, adequate execution requires continuing co-operation and co-ordination with the functions performed by provincial and local authorities. Provinces too must co-ordinate and consult with federal authorities on action in their areas. In addition to encouraging provinces to institute comparable, though not uniform, programmes, the federal government continually assists them by financial aid, technical advice and guidance, and by establishing facilities for the co-ordination of their efforts, definition of common standards and the evaluation of operations. The provinces are ultimately responsible for the administration and development of the programmes in their own areas of operation, and are expected to experiment and innovate and to capitalize on local initiative. Through stimulation, technical support, and co-ordination, the federal government endeavours to ensure that all provinces progress in the application of the programmes and that all share in the nation's economic and social advance.

The concentration of statistics-collecting activities in the federal government and the dependence of the provincial governments on these sources for labour market and manpower data, impose a special responsibility upon the federal government to serve the ever-growing needs of the provinces in the development of policies and programmes and in their administration. One of the pressing needs is for the elaboration of labour market data on a regional and local basis, to increase the extent and quality of the statistical data currently provided.

TECHNICAL AND VOCATIONAL EDUCATION

In no area has the federal-provincial co-operative relationship been more explicitly unfolded than in technical and vocational education. The provinces are responsible for education and are assisted by the federal government in fulfilling many of their obligations. The Canadian people have realized that the general educational system, and particularly the technical and vocational fields, need expansion and reorganisation.

In the broad area of education, several conclusions are now generally shared. More and more young people will enter secondary and higher education; the curricula and teaching methodology need revision to adapt them to population growth and a rapidly changing society; provision must be made for people who terminate their education at the end of compulsory schooling or progressively thereafter without concluding technical, university, or professional education, so that they are all fitted at these terminal ages for the world of work and society.

As for the technical and vocational area, partly as a result of the research of the Economics and Research Branch of the Department of Labour, a consensus has been reached on many important points. Canada must train its own skilled, technical and professional labour as it can no longer rely as heavily on immigration. Existing facilities, curricula, teachers and organisations need to be adapted to the enormous domestic task ahead resulting from the great population bulge of the sixties. The school system in a growing society with a changing and sophisticated technology and management must assist adults in adaptation, overcoming deficiencies in preparation and upgrading. Finally, many short-run occupational shortages must be met through immediate training.

Through the dissemination of their research findings, the manpower authorities were able to draw the educators' attention to the requirements of the evolving new economy and society. They could profitably perform an even more active role in elaborating on these conclusions and helping formulate their explicit educational implications.

A truly far-reaching technical and vocational programme both for youth and adults has been instituted by the vocational and technical training legislation of 1960. For young people, it provides both for assistance in the secondary schools and the promotion of technical training in the post-high school institutions. The emphasis to date has been largely on school construction under a federal-provincial financial agreement which has raised student places from a level of 108,000 in 1960 to 300,000 at the end of 1964 and looks forward to 500,000 places in 1970. The urgent need is now for a careful review of the work done in these schools, in the selection and definitions of occupations, curricula, pedagogy, teaching materials, teacher qualifications and results expected, so as to define the ways in which these operations may become more effective in meeting the goals for which they were established.

Government financial assistance to the current operations of schools for youth amounted in 1964 to $ 3 million for vocational training in the secondary schools for 164,000 students, and $ 7 million for post-high school technician training schools for 14,000 students. In the effort to build up Canada's economic effectiveness, the training of technicians must continue to command a high priority.

The new adult training programmes under federal-provincial agreements, now reaching about 110,000 persons, represent an improvement in the present programmes and provide for substantially more liberal financing. First is a provision for the training of persons seeking trade and occupational retraining or upgrading or the teaching of pre-employment subjects. Training in 80 occupations is given in both day centres and in evening courses which now serve 27,000 students. The current federal financial cost is $ 10 million. The question has been raised whether or not such training could be accelerated, particularly to meet bottlenecks, through federal-provincial grants to enable students to complete their training on a full-time day basis.

The second is the programme for the training of the unemployed in courses lasting six months to one year. These persons receive their unemployment insurance benefits or maintenance allowances during training. The question has been raised whether or not the training allowances should be paid directly to all of these persons to permit these benefits to be adjusted to student needs instead of continuing them on unemployment insurance. Some 50,000 adults received training in 1964, of whom 16,000 were given basic educational instruction and the balance were trained in 115 occupational specialities in 300 centres (exclusive of the training programme in Quebec).

The apprentice programme under provincial legislation now covers some 23,000 students, but it is not growing as fast as it was hoped. Uniform national standards enforce comparability of achievement among the student apprentices which assures a desirable level of attainment.

The programme for government assistance to in-plant training now reaches 7,800 persons. This programme needs a great deal of stimulation and expansion. Management has a major responsibility for the development and support of adult training in industry, government should provide stimulation and guidance and seek to co-ordinate and test the effectiveness of the in-plant programme.

A careful study is required of other private vocational and technical educational facilities, their curricula and usefulness. Ultimately government must be responsible for defining the role each institution is to play so that they individually complement and supplement one another in creating the trained manpower needed by the country.

Each of these programmes calls for constant evaluation for its relevancy and effectiveness. The responsibility of the federal authorities, in co-operation with the provinces, is to study experience, develop standards, promote positive results, stimulate the expansion of the plans, and encourage innovations which would improve the effects of these programmes. A more careful definition of targets and integration of procedures could do much to give an impetus and feeling of unity to the adult training programme.

HUMAN DEVELOPMENT AND ECONOMIC OPPORTUNITY POLICY

Canada has inaugurated a new programme explicitly designed to develop the capacities of the long-term unemployed, the low income wage-earner, the under-employed and persons often considered to be non-productive. The new aids elaborate on existing federal-provincial programmes and provide new services, particularly aimed at helping people attain optimum competence. The emphasis of these new programmes is not on income maintenance, though such provision is made, but upon the positive restorative services required to enable individuals to overcome their disadvantages and to qualify for participation in the regular labour market. This Programme will be keenly followed and opens opportunities for an international exchange of information.

With the passage of the federal minimum wage of $ 1.25 per hour and a normal work week of 40 hours, a new step has been taken to assure a wider group of employees the benefits of a growing economy. To reinforce the positive results of this step, the federal government can be helpful in assuring the successful application of the minimum wage by assisting in the vocational up-grading of minimum wage workers and aiding their employers to become more effective as business executives.

The growing number of women with family responsibilities in the work force calls for special attention to arrangements of hours of work and the availability of public and private community facilities and services and their operating schedules to ease the strain on women who are carrying both home and job responsibilities.

FEDERAL AND PROVINCIAL DEPARTMENTS OF LABOUR

The Departments of Labour, both federal and provincial, have an increasing role to play in the promotion of the basic programmes of an active manpower policy. This is not a self-implementing concept but it will be realized if there is a determination to achieve the established goals. It requires the co-operation and active participation of labour and management groups and of all groups and individuals in each local community and labour market and at the provincial and national levels. An active manpower programme can only be built when the leaders, both in the government and in the community generally, have a clear concept of purpose, a truly adequate knowledge and analysis of conditions in their area, a system for disseminating the information and a determination to establish and use the services designed for developing human resources and utilizing and allocating them productively. It is a programme which calls for constant alertness on the part of those in responsible positions, inspiring guidance, leadership, and stimulation of the people to achieve its goals.

Part II

REPORT BY THE CANADIAN AUTHORITIES

20/21

Chapter I

LABOUR FORCE, EMPLOYMENT AND UNEMPLOYMENT IN THE POST-WAR PERIOD

The post-war years in Canada have been a period during which the labour force and employment increased more rapidly than in most other industrially advanced countries. It was, moreover, a period of great shifts in industrial and occupational patterns of employment, and of changing rates of growth of various population groups. These changes have been and are now being reflected in the kinds of manpower requirements and the nature of the residual unemployment problem. Moreover, they have important implications for future economic, manpower and employment policies.

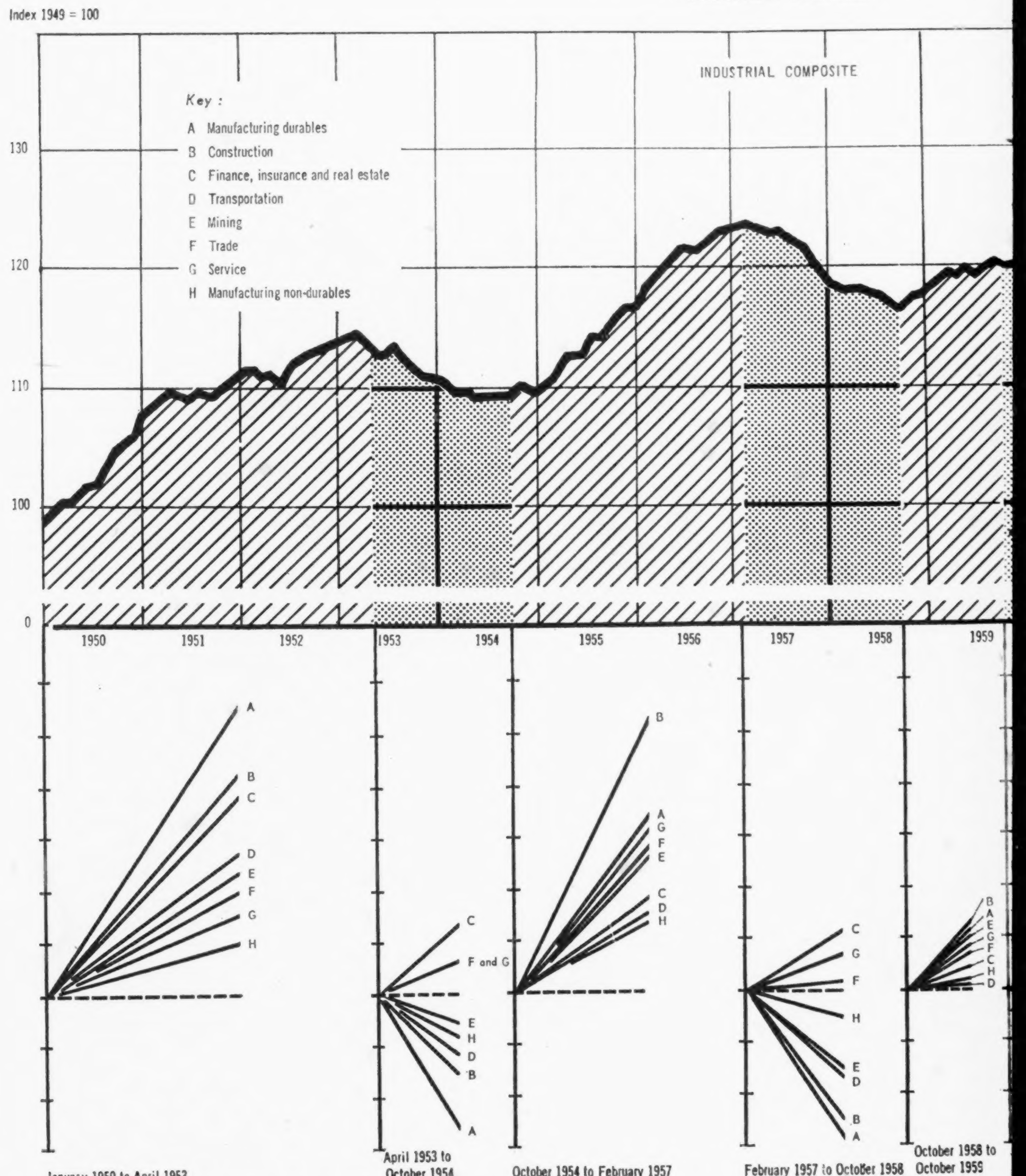
An overview of developments since 1950, in terms of total employment and the major industrial groups, is shown in Chart I. As can be seen, there was over this period a general but very uneven movement upwards of industrial employment. In fact, during these years the economy went through three full cycles of economic activity and is now well into a fourth.

The impact of these cycles on employment in the major non-agricultural industries varied considerably. Employment in durable goods manufacturing and in construction showed the greatest variation, with these two industrial groups almost always showing the greatest rate of change, both up and down. On the other hand, three industries — trade, finance and service — showed no cyclical declines over this period. These industries showed employment increases, even during the periods of cyclical decline when the total level of non-agricultural employment was falling. In the current cyclical expansion, which started in March 1961, the greatest rate of employment expansion has occurred not, as usual, in the durable manufacturing or construction industries, but in the service industry.

It is clear, as Chart I indicates, that during each full cycle of economic activity the labour market carries out a considerable shifting and re-allocation of employment between industries. On the surface, it might appear that this re-allocation task was a simple one, namely the shifting of workers from industries of relatively rapid cyclical decline to those of less rapid decline and of continuing employment increases. Such is not completely the case. In many instances, and for many reasons, a significant number of the workers released by the cyclically declining industries remain unemployed while the needs of other expanding industries are met from labour force growth.

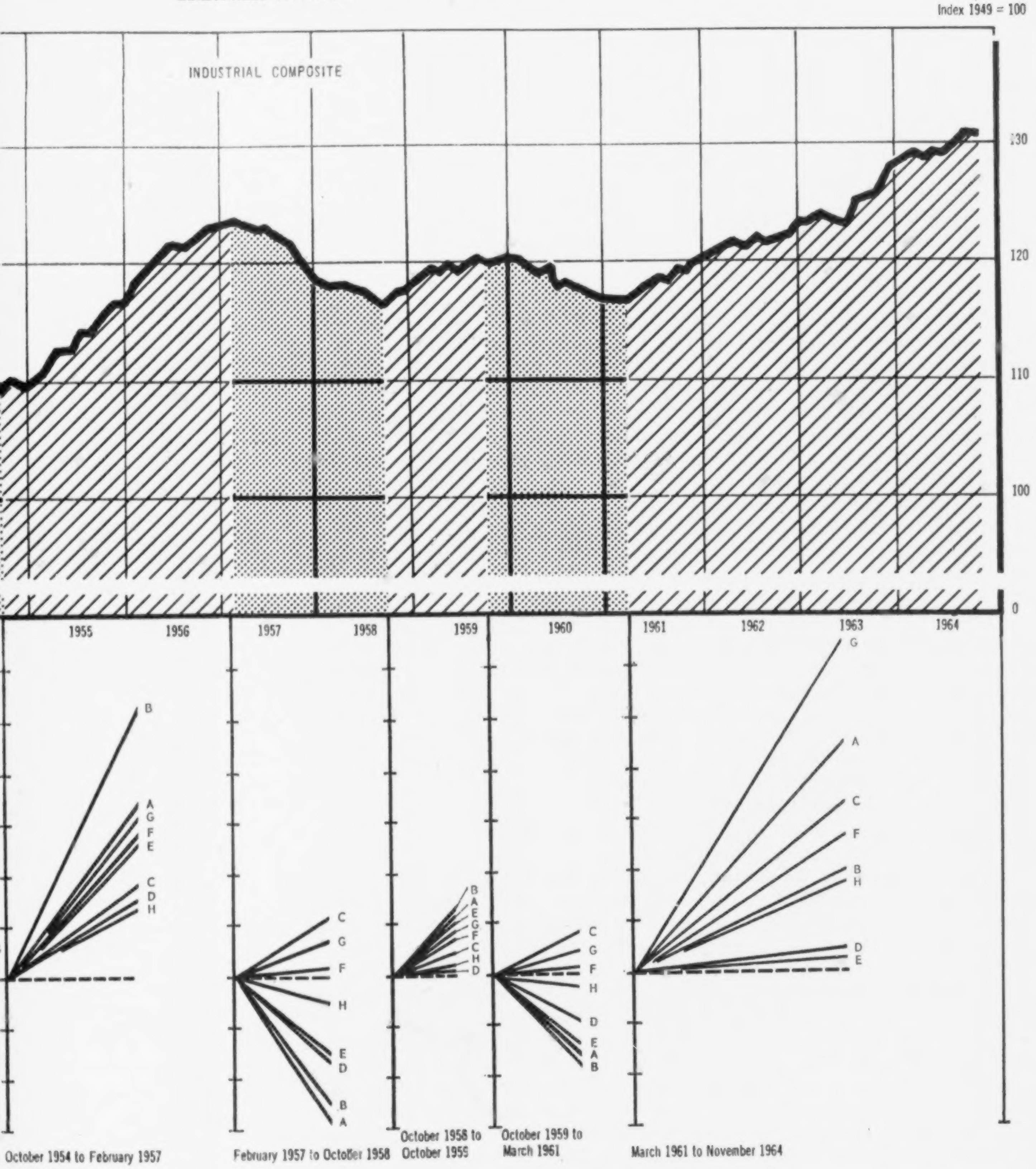
Underlying the cyclical changes shown in Chart I are some longer run trends in manpower requirements. One of these is pictured in Chart II. This Chart shows, rather dramatically, how labour demand has been shifting quite substantially from the goods-producing to the service-producing indus-

Chart I. INDUSTRIAL EMPLOYMENT TRENDS 1950-
SEASONALLY ADJUSTED



Source: Employment and Payrolls, Dominion Bureau of Statistics.

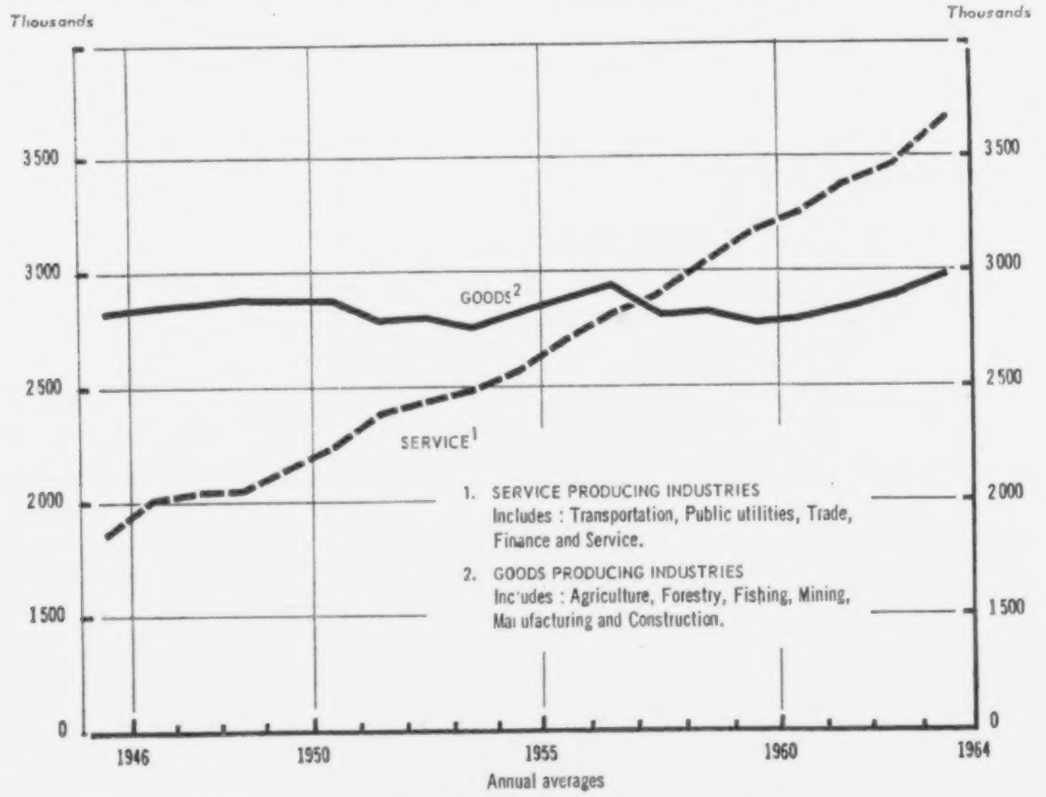
Chart I. INDUSTRIAL EMPLOYMENT TRENDS 1950-1964
SEASONALLY ADJUSTED



of Statistics.

tries. This shift presented the labour market with a re-allocation task with which it could cope only to a limited extent because of the great differences in the character of the employment offered by the two groups of industries. Many of the jobs in the service-producing industries, for example, required relatively high levels of education, involved working with people rather than things, and in some instances carried relatively low salary or wage levels. On the other hand, redundant workers in the goods-producing industries tended to have relatively low levels of education and often no skills or obsolete ones.

Chart II. EMPLOYMENT IN GOODS PRODUCING INDUSTRIES COMPARED WITH EMPLOYMENT IN SERVICE INDUSTRIES 1946-1964

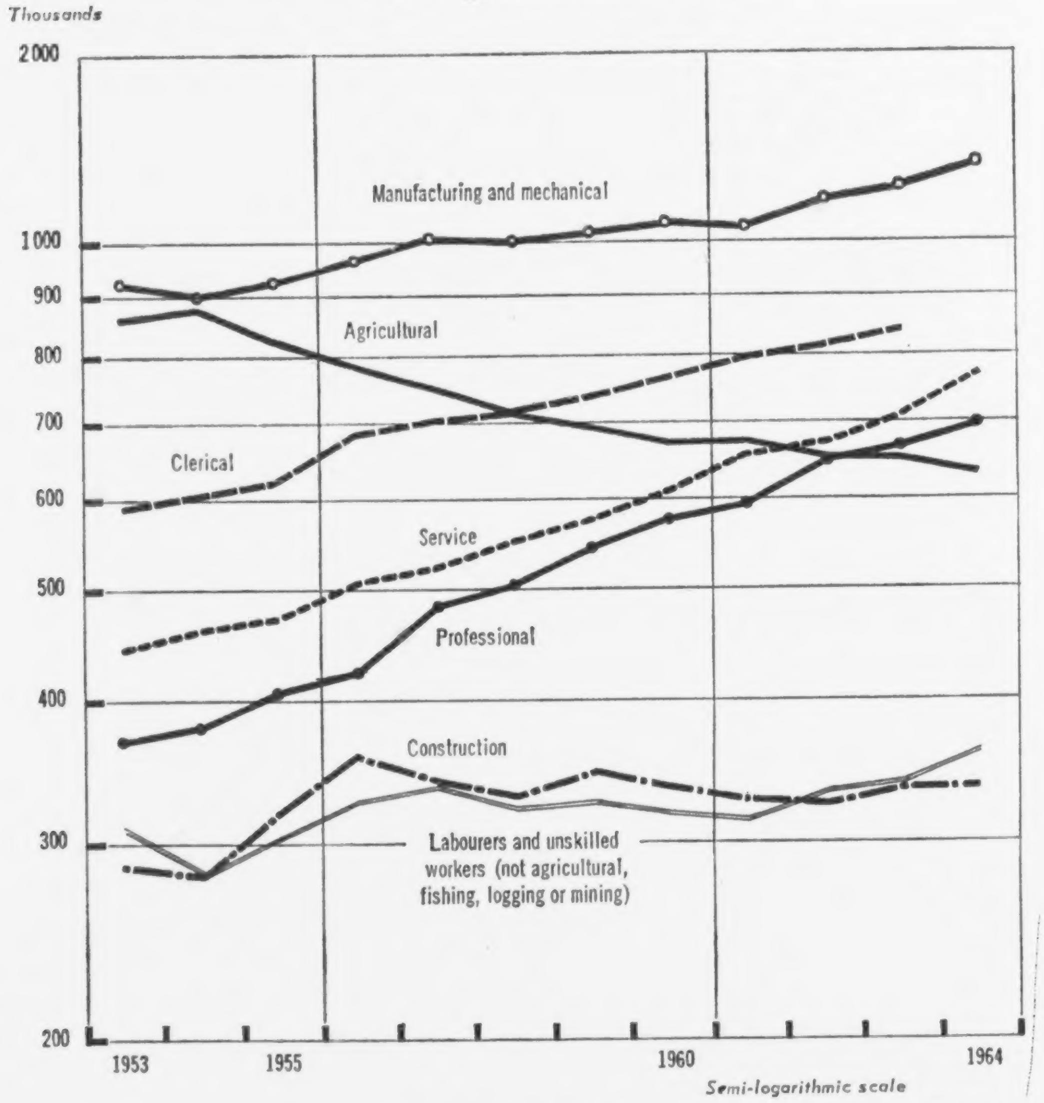


Source: Labour Force Survey, Dominion Bureau of Statistics.

The differential growth rates of various industries have made a substantial change in the role of women in the labour market. One striking illustration of this is the fact that, of a total increase of 1,360,000 employed workers over the period 1953 to 1964, 727,000 were women. Over this period, the proportion of women in the work force increased from 22.4 to 28.8 per cent. The number of married women in the labour force increased two and a half times.

Also underlying cyclical swings in the extent and nature of labour demand are other longer run changes in manpower needs. These can be traced back in many instances to a variety of technological developments. They

Chart III. EMPLOYMENT-SELECTED OCCUPATIONS 1953-1964
Semi-logarithmic Scale



Source: Labour Force Survey, Special Tabulations, Dominion Bureau of Statistics.

involve a shift of labour demand away from " blue-collar " or production occupations to a variety of " white-collar " occupations. In the manufacturing sector of the economy, for example, production workers dropped steadily as a proportion of total manufacturing employment from 83 per cent in 1948 to 76 per cent in 1960.

Shifts in occupational requirements over the last decade are shown for most of the major occupational groups in Chart III. It will be noted that employment has been growing at the most rapid rate for the professional group. It has also been rising relatively rapidly for the service and clerical groups. Manufacturing and mechanical occupations have been increasing over this period at a rate which roughly parallels the growth of total employment, while requirements for construction workers and labourers have changed little over the decade, thus falling as a percentage of total employment. The

Chart also shows the decline in agriculture that is now familiar to most industrialised countries. A similar, though less dramatic trend is apparent in mining, logging, and fishing occupations, groups that are not shown.

As with most aggregations, these trends hide almost as much as they reveal. Some of the dramatic changes that are taking place can only be appreciated fully by examining employment changes in occupations at a much lower level of detail. According to the Census of Canada in 1951 and 1961, the number of professors and college principals, for example, more than doubled over the decade; office appliance operators increased in number by 160 per cent; whole new classes of occupations such as science and engineering technicians have become of major importance. Computer programmers were almost unknown in 1951, but in just over ten years, requirements for workers with this kind of skill have increased substantially, and the nature of the skill itself has changed into several very specialised occupations.

These developments are, of course, the result of the relatively high and growing concentration of women in the expanding service industries. In 1961, women made up 40 per cent of the service-producing industries, against 35 per cent in 1931. The largest employment gains have been in clerical occupations. The teaching profession has been another substantial source of employment expansion for women.

Mention should be made of the great differences which have existed in the rate at which manpower requirements are changing in various regions and areas and how this has imposed a high mobility requirement on the labour force. In general, the need for people to shift from one area to another stems from differences between the growth of employment and of native manpower supplies. The rate at which native manpower supplies grow can vary from one region or area to another, but only within a relatively narrow range. Employment growth, however, can vary a great deal as between regions and areas. Employment changes among male workers at the regional level between 1951 and 1962 may be used as an example. Employment of males in the Atlantic region showed little or no change over this period; in Quebec, there was an increase of 14 per cent; in Ontario, an increase of 17 per cent; in the Prairie region, 7 per cent up; and in the Pacific region the increase was 27 per cent. Comparison of growth rates in smaller areas displays a much greater variation.

These differential rates of employment growth in various regions and areas, combined with the tremendous size of Canada, impose a very considerable need for geographical mobility on the labour force. Undoubtedly, the labour force responds to this need because, as has been noted in frequent studies, there is a large amount of migration in Canada both between provinces and within provinces. However, the persistent nature of regional differences in unemployment demonstrates that the adjustment of manpower resources to changing demand patterns is neither immediate nor complete. Apart from the imperfect response of the labour market, to differential rates of employment growth in regions and areas, there are a host of other economic and social factors which often make movement difficult when job opportunities are declining.

Apart from the cyclical and long-run shifts and changes in manpower requirements, there are also imposed on top of these very substantial seasonal swings in employment. This aspect of employment in Canada is described more fully below. To provide some indication of its importance, however, it can be noted that over the course of a year from one-quarter to one-third of Canadian unemployment can be attributed to seasonal swings in labour requirements. This fact is important to remember when comparing unemployment levels in Canada with those of other countries.

LABOUR SUPPLY

In an outline of labour market trends for Canada, the highly dynamic character of labour requirements must be related to changing labour supplies. These, of course, are a function of rates of population growth, the extent to which different groups in the population enter the labour force, and net immigration.

As in many industrialised countries, the relatively rapid expansion of the labour force now getting under way has its origin in the upturn in birth rates during World War II and in the years immediately afterwards. In the years immediately ahead, the number of new entrants to the labour force from native population growth is going to be very high indeed. It has been estimated that, during the last half of this decade, the 20-24 year age group in the labour force will increase by almost one-third[1].

One of the important consequences of this is that already, and throughout the rest of the 1960's, the new labour supply will not only be substantial but it also will be significantly different in character from that of the 1950s. In the 1950s, a substantial proportion of the new labour supply was composed of immigrants, most of whom had considerable work experience and skills. In the 1960s, however, new labour supply will consist to a much greater degree of young people from the domestic population who have relatively high levels of education but little work experience. Unless employment growth is substantial, these people are apt to experience relatively high rates of unemployment and pose a special kind of problem.

Apart from the nature of population growth, there have been other important changes in the percentage of various groups in the population who are in the labour force, as shown in Chart IV. It illustrates the striking rise in the participation of women in the labour force during the past decade. Among women of all age groups the participation rate increased from 23.4 per cent in 1953 to 30.5 per cent in 1964. This increase in participation rate was enough to offset a decline in the participation rate of the much larger male group. Consequently, for the adult population as a whole, the proportion in the labour force increased slightly from 53.1 per cent in 1953 to 54.3 per cent in 1964.

The most marked increase in participation rate was among women aged 45 to 64 which almost doubled over the decade. Among very young women the rate has declined slightly, reflecting longer average number of years in school. In 1964, about 30 per cent of the 14-19 group and 51 per cent of 20-24 year olds were in the labour force.

To some extent, the increase in female participation rates reflects the general movement of the population from rural to urban areas of Canada. It is apparent, however, that women are playing a greater role in the labour force in both rural and urban environments. Data from the 1951 and 1961 censuses, although not fully comparable, demonstrate clearly the general nature of this phenomenon.

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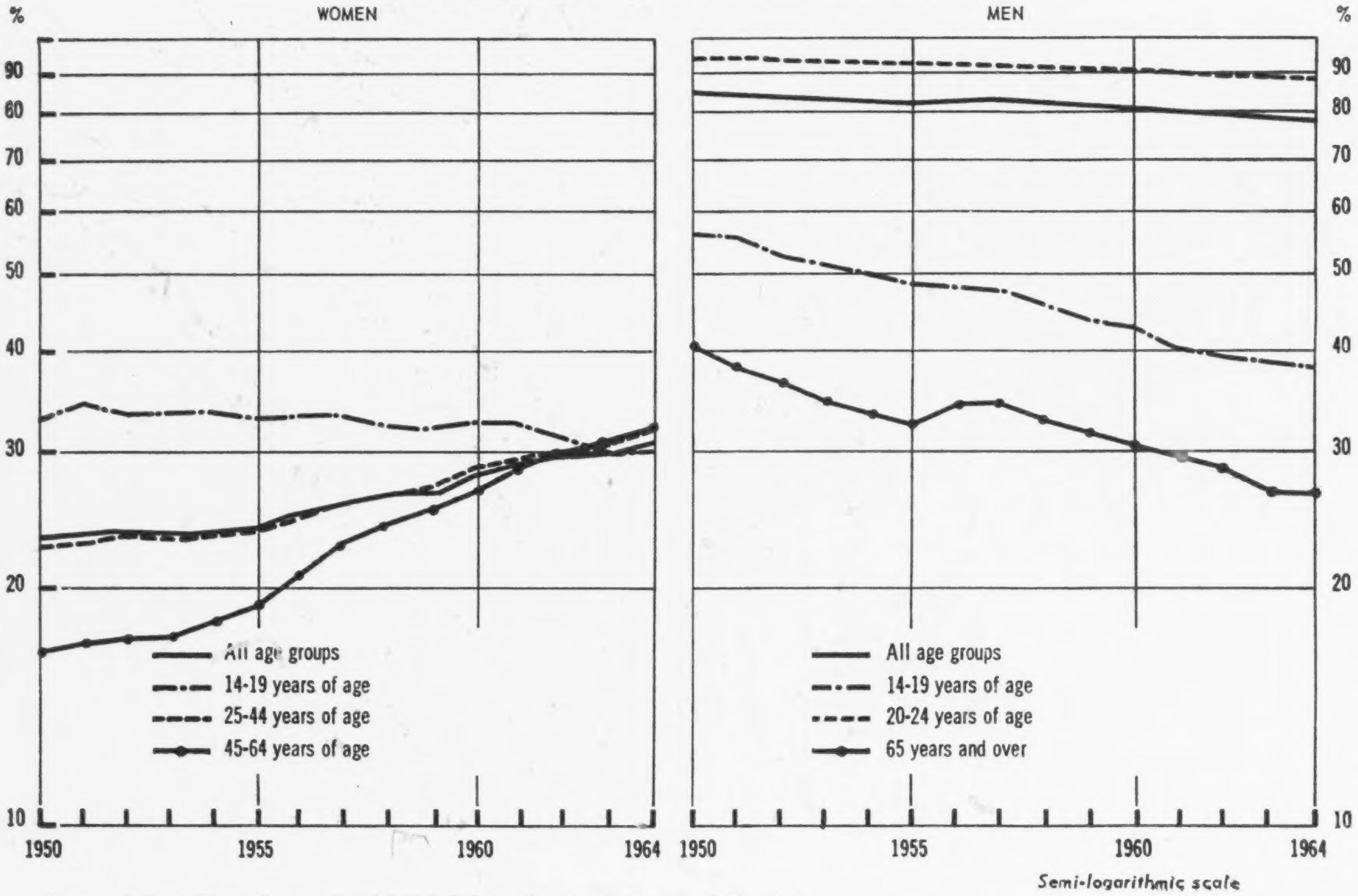
[1] *Economic Goals for Canada to 1970*, Economic Council of Canada, 1964, p. 36.

Chart IV. LABOUR FORCE PARTICIPATION RATES-SELECTED AGE GROUPS

RATIO OF LABOUR FORCE TO ADULT NON-INSTITUTIONAL POPULATION



Source: Labour Force Survey, Special Tabulations, Dominion Bureau of Statistics.

The participation rates are greater in urban than in rural parts of the country, because of a greater availability of job opportunities. Over the decade, however, the increase in participation rate was more marked in rural areas than in urban centres. Thus, while the increased urbanisation of the female population has been a significant factor in the upward shift, the change would have been very considerable even without this migration.

LABOUR FORCE PARTICIPATION RATES
OF FEMALES, CANADA

	1951	1961	Percentage Increase
Rural	12.8	20.6	61
Urban	29.1	33.0	13
Total	23.7	29.7	25

Source: Census of Canada.

The rates for 1951 and 1961 are not fully comparable; for example, the 1961 rates refer to females aged 15 and over, while the 1951 rates refer to females aged 14 and over. There are other minor differences.

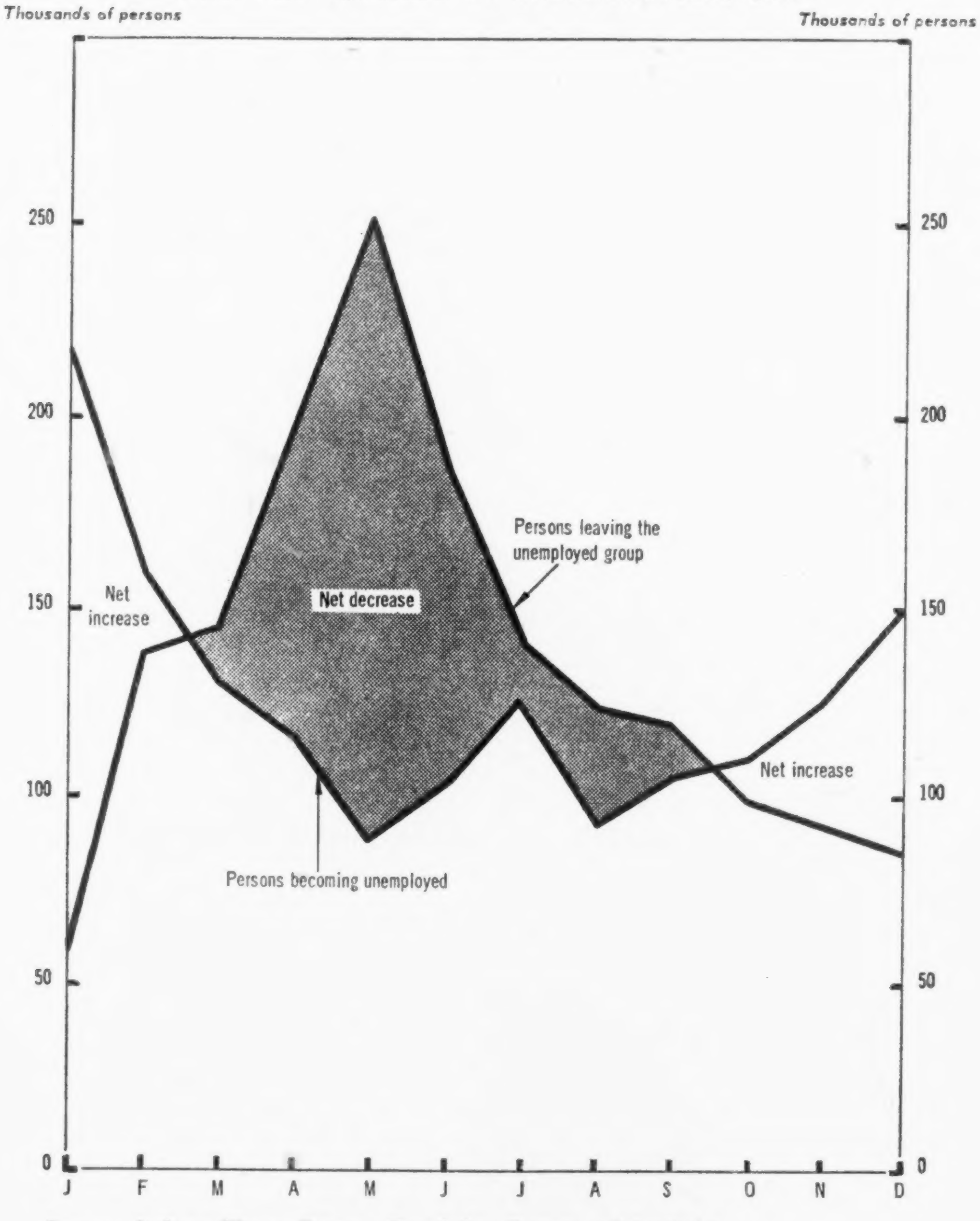
Characteristics of the Unemployed

Apart from the rising level of unemployment over the past decade, one of the first points that should be made is that the unemployed do not consist of a more or less unchanging group of people. On the contrary, unemployment consists of workers who change substantially from one month to the next, although the kinds of workers who move into and out of the pool of unemployed tend to bear many similar characteristics.

Chart V shows how significant is the " gross movement " into and out of the unemployed group. In the late winter and early fall, for example, when the net total of unemployment changes to only a small extent, there were in the period covered by the chart opposing movements into and out of unemployment of between 100,000 and 150,000 persons. The importance of these movements can be seen by looking at what happens when unemployment is increasing or falling most rapidly. In January, when unemployment was rising fastest, over 50,000 persons left the unemployed group. On the other hand, in March, when unemployment was declining most rapidly, almost 100,000 persons became unemployed. This Chart then, underlines the fact that the unemployed are to a considerable extent a rapidly changing group. There are still, however, a score of people who, depending on general employment conditions and their personal characteristics, may remain unemployed for lengthy periods of time.

The next few Charts provide a series of " photographs " of the unemployed from various points of view. They show, in terms of the characteristics of the unemployed, the results of many of the trends discussed earlier. Chart VI shows unemployment by industry; that is, it classifies the unemployed according to the last industry in which they were employed. As can be seen, the rates of unemployment are highest for workers in those industries where growth is relatively slow and where seasonal variations are magnified. On the other hand, unemployment rates are relatively low for the fast growing

Chart V. MONTHLY MOVEMENT INTO AND OUT OF THE UNEMPLOYED GROUP AND NET CHANGES IN UNEMPLOYMENT 1961



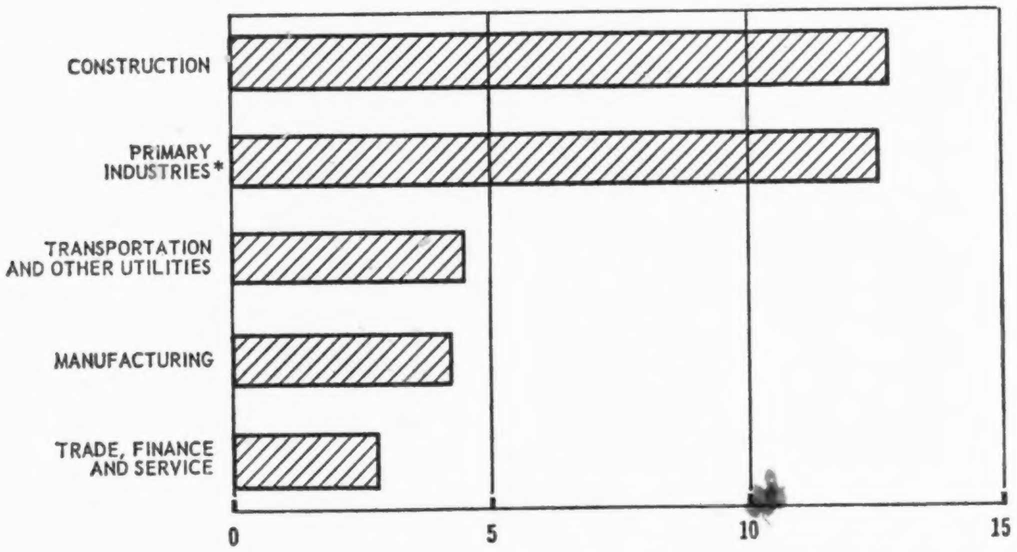
Source: Labour Force Survey, Dominion Bureau of Statistics.

industries of trade, finance and service. In 1964, the overall rate of unemployment averaged 4.7 per cent, or for the whole country, about the same as that shown on the Chart for transportation and other utilities, and for manufacturing.

The lower part of this Chart indicates that while rates of unemployment are low in trade, finance, and service, the large size of these industries in terms of employment means that they contribute a sizable number of workers to the total of the unemployed.

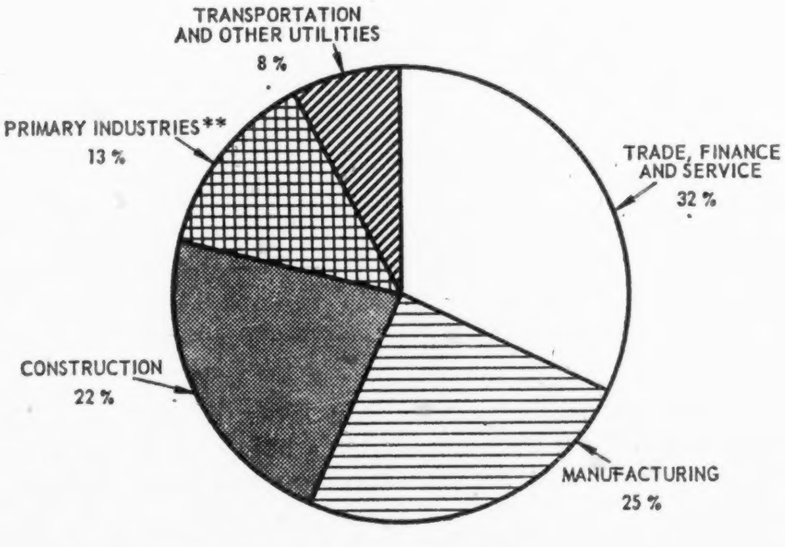
Chart VI. UNEMPLOYMENT RATES IN SELECTED INDUSTRIES, AVERAGE 1964

UNEMPLOYED AS A PERCENTAGE OF LABOUR FORCE IN EACH GROUP



* Includes Forestry, Fishing, Trapping, Mining, Quarrying and Oil Wells but excludes Agriculture.

PERCENTAGE DISTRIBUTION OF THE UNEMPLOYED BY INDUSTRY* AVERAGE 1964



* Persons who have never worked are excluded.
** Includes Agriculture.

Source: Labour Force Survey, Dominion Bureau of Statistics.

In Chart VII, unemployment rates are shown by broad occupational groups. It is clear from this Chart that the incidence of unemployment is highest amongst the manual and primary occupational groups. As can be seen at the bottom of this Chart, these two occupational groups accounted for 70 per cent of all the unemployed in 1964.

Chart VIII shows unemployment rates by age groups for men and women separately. Here we can see that the unemployment rate for men is much higher than that for women, almost double, in fact. This difference reflects the relatively rapid growth of industries employing women and also the tendency of many of them to withdraw from the labour force when their employment terminates. There are two points shown by this Chart which may indicate significant features of the unemployment problem of the future. The first is the high rate of unemployment shown for men and boys under 25 years of age, despite the increasing proportion of those attending school. One of the significant problems of the future may be that of ensuring that these relatively highly educated but inexperienced young people make the transition from school to work with as little unemployment as possible.

At the other end of the age scale, attention is drawn to the unemployment rate for men who are 45 years of age and over. This segment of the labour force will also be growing relatively rapidly in the years ahead and when they become unemployed these people will find themselves, in many cases, in direct competition with much younger and more highly educated workers. Since the older people who become unemployed will tend to be the least well trained and the least well equipped to fill the needs of an increasingly technologically oriented economy, the winners in this competition are very obvious unless job opportunities are plentiful.

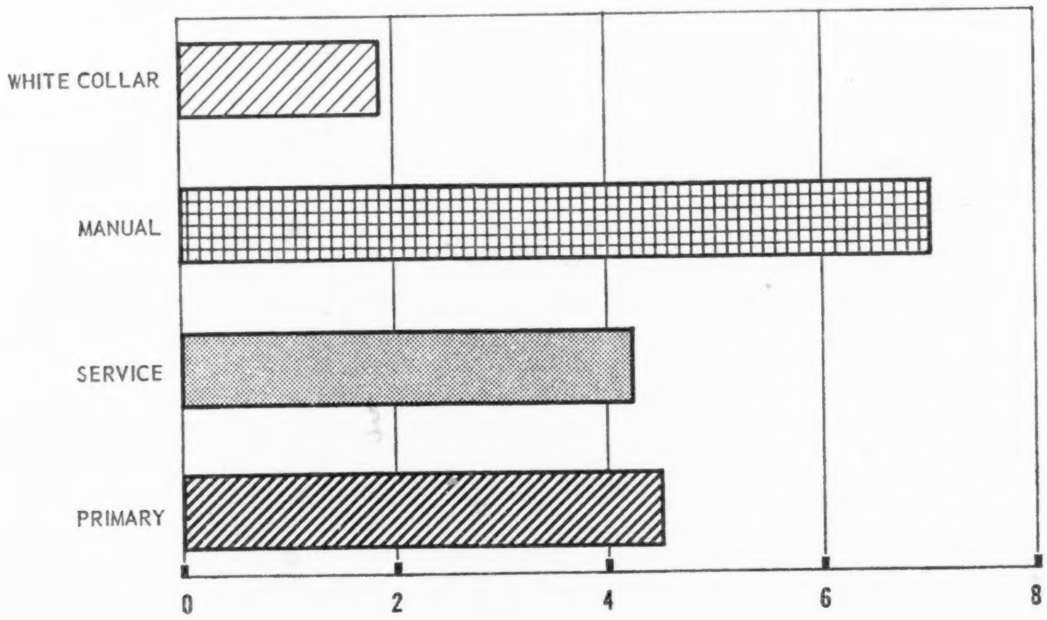
Chart IX shows unemployment by marital status for men and women. Here it is apparent that although the rate of unemployment is relatively low for married people, 45 per cent of the unemployed are married men. It might be added, although it is not charted, that almost half of the unemployed are heads of families. It is also interesting to know that among families unemployment does not often mean a complete loss of income. Apart from unemployment insurance and assistance, family income is frequently maintained by some other member of the family who is working. Quarterly surveys on this aspect of the unemployed show that over one half of families with someone unemployed also had one or more other persons who were employed.

Information on the educational levels of the unemployed is only available for 1960. This is shown in Chart X which indicates that in February of that year, 44 per cent of the unemployed had not finished primary schoool and over 90 per cent had not finished secondary school. The unemployment rate for those who had not finished primary school was 18 per cent.

Against the factual background of changing labour demand and supply and of unemployment, one can begin to define the nature of the unemployment problem in Canadan. First, and in a basic sense, the problem of unemployment is a problem of ensuring that overall economic activity is at a level which provides sufficient job opportunities of a productive kind for all those who want to work. For some periods over the past decade this has not been the case. In this connection, it needs to be remembered that the problem of creating and maintaining a high level of overall demand in an open economy such as that of Canada is a particularly complex and difficult one. Never-

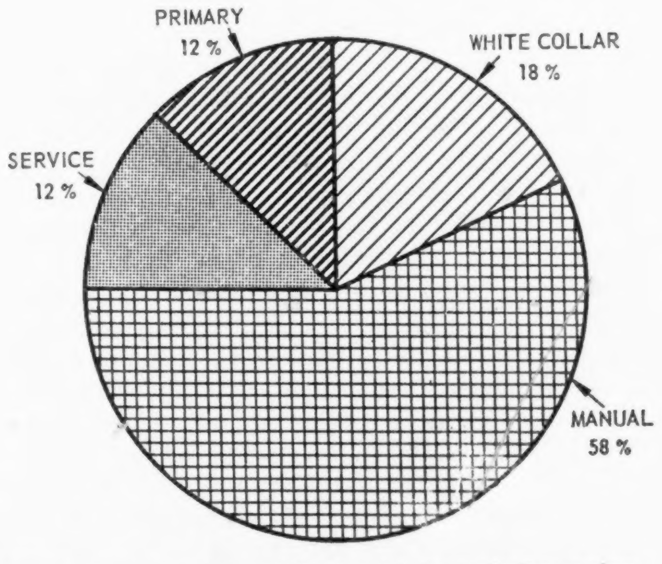
Chart VII. UNEMPLOYMENT RATES IN BROAD OCCUPATIONAL GROUPS, AVERAGE 1964

PERCENTAGE OF LABOUR FORCE UNEMPLOYED



PERCENTAGE DISTRIBUTION OF THE UNEMPLOYED BY BROAD OCCUPATIONAL GROUPS*

AVERAGE 1964



White collar : Managerial, Professional, Clerical, Commercial, Financial, Communications workers.

Manual : Manufacturing and Mechanical, Construction, Labourers (except in primary industries) and Transportation workers.

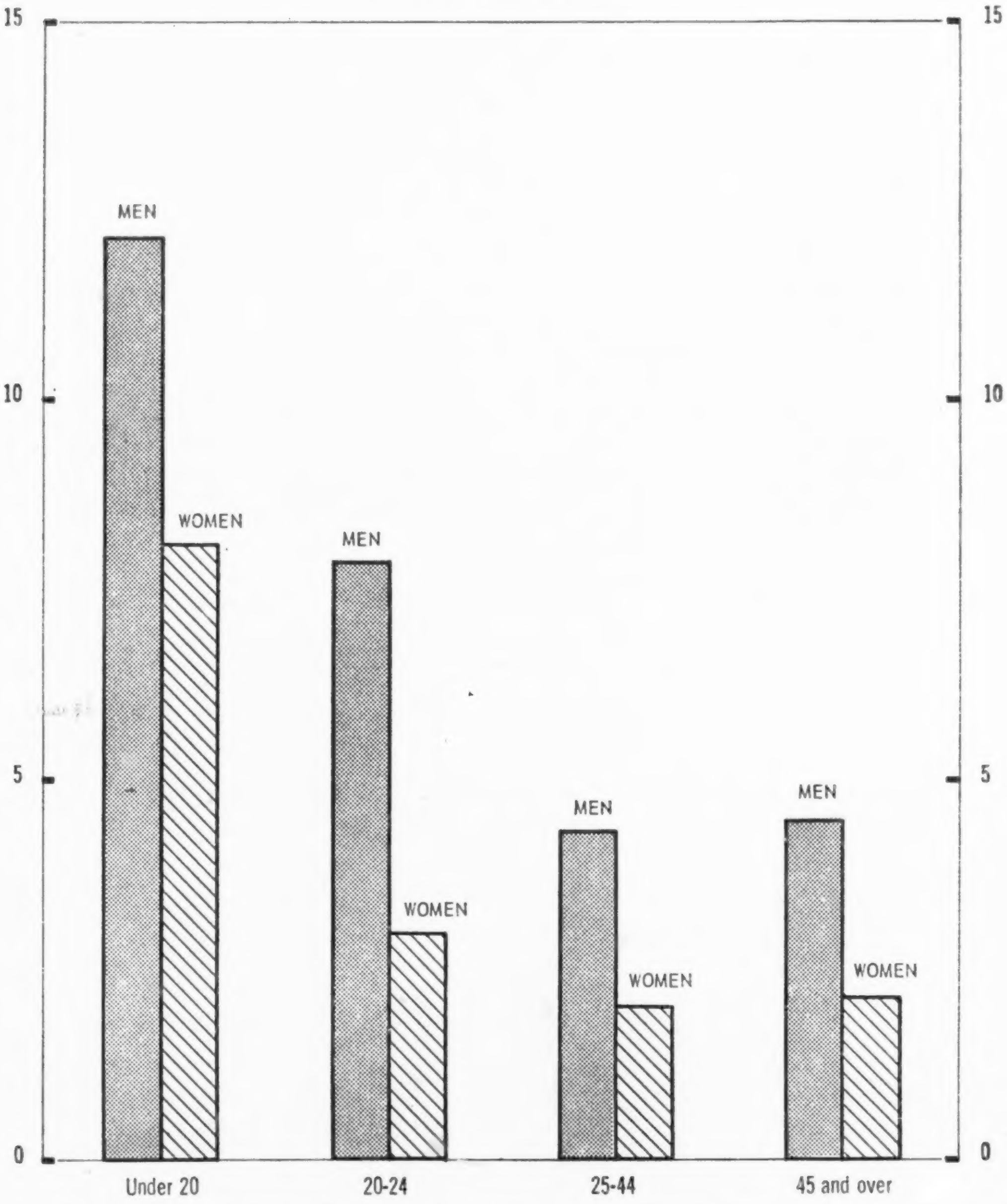
Primary : Agricultural, Forestry and Fishing and mining workers.

* Persons who have never worked are excluded.

Source: Labour Force Survey, Dominion Bureau of Statistics.

Chart VIII. UNEMPLOYMENT RATES AMONG MEN AND WOMEN IN SPECIFIED AGE GROUPS

AVERAGE 1964



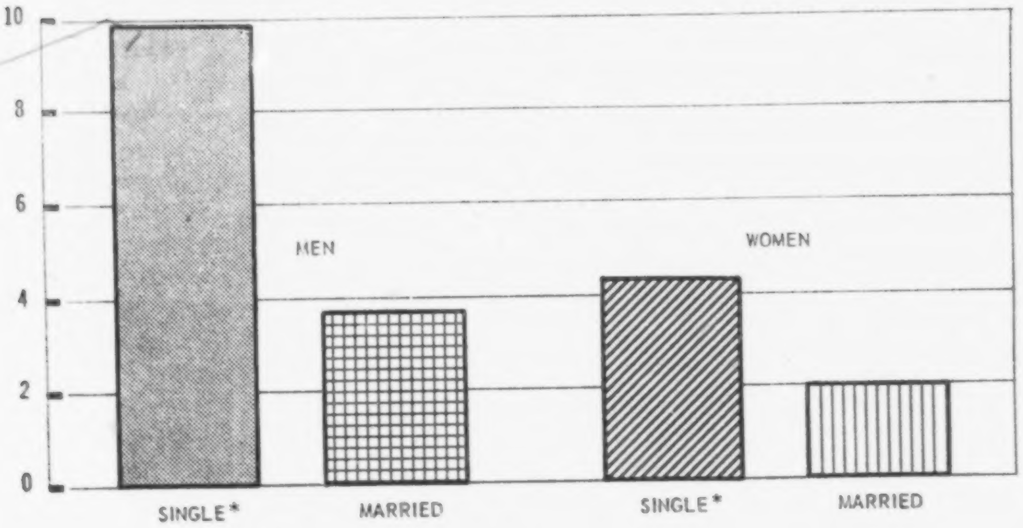
Source: Labour Force Survey, Dominion Bureau of Statistics.

theless, such an objective is a basic requirement for the maintenance of levels of unemployment which are acceptable.

Second, there is the problem of stimulating employment as much as possible in those geographical areas and those times of the year where and when pools of unemployment accumulate. In meeting this problem, it is important to keep in mind the general efficiency of the economy. On occasion, gains in efficiency in a specific industry or undertaking amount to the shifting of certain costs to other sectors of the economy, or to the economy generally,

Chart IX. UNEMPLOYMENT RATES FOR MEN AND WOMEN BY MARITAL STATUS

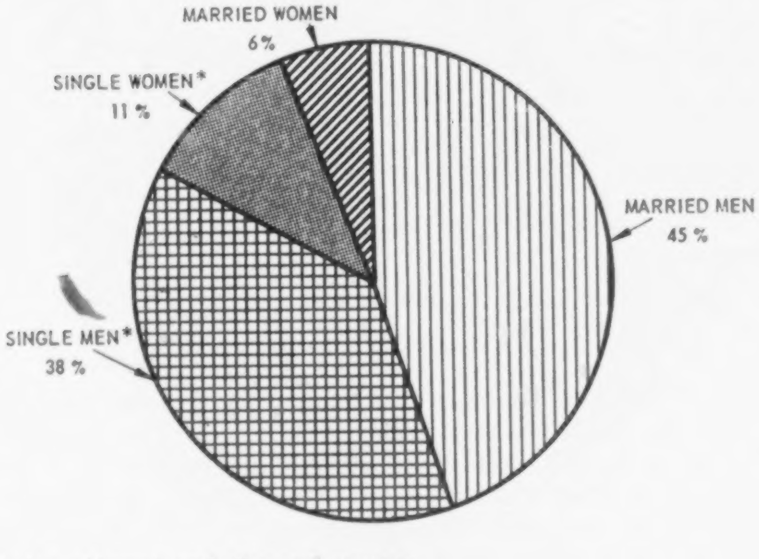
AVERAGE 1964



* Includes widowed and divorced persons.

PERCENTAGE DISTRIBUTION OF THE UNEMPLOYED BY MARITAL STATUS AND SEX

AVERAGE 1964

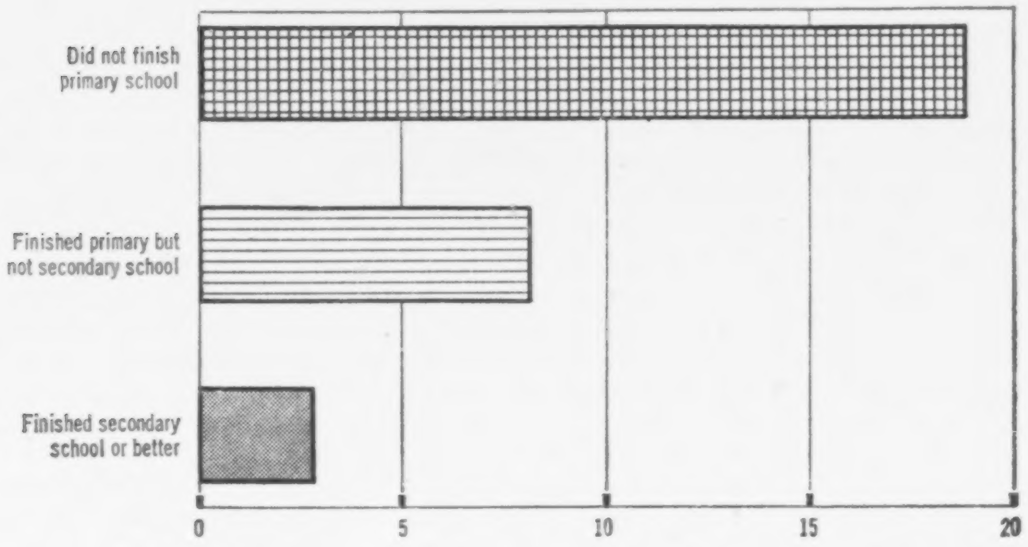


* Includes widowed and divorced persons.

Source: Labour Force Survey, Dominion Bureau of Statistics.

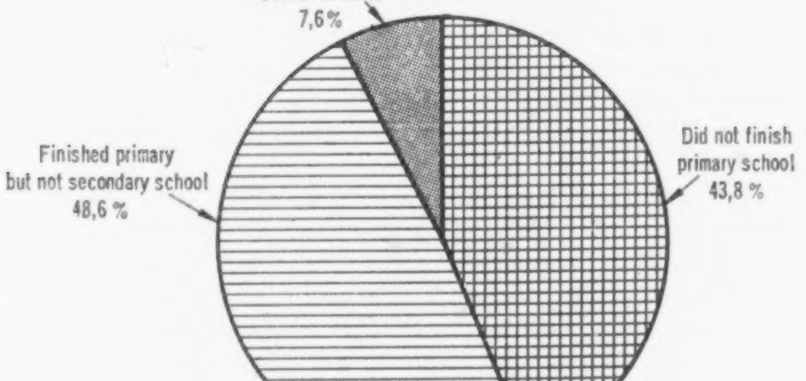
Chart X. UNEMPLOYMENT RATES FOR PEOPLE WITH DIFFERENT LEVELS OF EDUCATION, FEBRUARY 1960

*Percentage of Labour Force Unemployed**



* Does not include persons on temporary layoff with instructions to return to work within thirty days.

PERCENTAGE DISTRIBUTION OF THE UNEMPLOYED ACCORDING TO LEVEL OF EDUCATION* FEBRUARY 1960



* Does not include persons on temporary layoff with instructions to return to work within thirty days.

Source: Labour Force Survey, Dominion Bureau of Statistics.

in a way which may actually increase total costs or, conversely, lower overall efficiency. This, of course, is a very complex question, particularly in situations where foreign competition is a factor, but practices which may be efficient from the point of view of a specific industry or undertaking can also through unemployment impose greater costs on the economy as a whole. There may be at times, therefore, a net advantage in shifting employment to an area or to a season of the year, even though it results in a marginal increase in costs, if the economic and social burden of not doing so, in terms of unemployment, is demonstrably much greater.

Third, the rapidly changing and more demanding nature of the manpower needs of an industrialised and growing economy make it imperative that manpower resources be developed through education and training in a way which will facilitate economic and social growth and development. The preparation of young people for a rapidly changing, technically complex, and highly organised economy and society has become a crucial matter which, if not given serious and continuing attention, can lead to significant labour market imbalances and high levels of structural unemployment, as well as to a wide range of other problems. We are still deficient in our understanding of this problem and of the best methods of meeting it.

Fourth, the continuous pressure to make and apply new discoveries in science, technology, management, administration, and social and economic affairs is constantly making old skills redundant and creating new ones. It becomes imperative, therefore, to step up the means which are available to permit the employed labour force to make the occupational and skill adjustments which such a dynamic situation requires. Advance assessment and planning, retraining, and further training, are key tools for extending the occupational mobility of the labour force and avoiding further contributions to structural unemployment. Again, however, we need to know much more about what these kinds of adjustments really involve in economic, social and personal terms so that improved types of action can be developed.

Finally, regional and local rates of employment growth are bound to differ to some extent from native population expansion, thus rendering geographic mobility of basic and continuing importance. Such mobility, in a segmented and vast country such as Canada, although considerable, has many real obstacles which can hinder it. Labour market policies, however, can help to overcome many of these and so reduce immobilised pools of unemployment by, for example, providing fast and full information on job opportunities and aiding the individual worker to meet the economic and social costs of such movement.

The unemployment problem, then, is a many-sided one, the solution to which, in our economic and social context, involves the stimulation of employment, the development of manpower resources, and aids to the operation of the labour market. The relative importance of these types of action can vary from time to time, with labour market policies becoming particularly important in those periods when the economy moves towards full employment.

The foregoing discussion of the unemployment problem has been in terms of those who have no employment at all. In a broader sense, however, the unemployment problem also includes the problem of under-employment, that is, of those people who are not working to the extent that they want to or those who are in marginal types of employment where productivity and incomes are very low. This is an important aspect of the general problem of under-utilised resources and is particularly important in the case of manpower because these are wasting resources. If not used, these resources are lost and in due course their productive potential declines.

In the quest for high levels of employment and of productivity, this aspect of the unemployment problem should not be overlooked. Although there are no generally acceptable statistics on the extent of under-employment, it may well be that this problem is several times greater than that of unemployment, at least in terms of the number of people involved. Until recent years, however, there has been a tendency to overlook this aspect of the total problem. In part, this was undoubtedly because so little is known about under-employment, while unemployment is a clear and pressing problem. In future, however, knowledge and action will have to be extended to both problems.

Chapter II

EMPLOYMENT POLICIES

The role of active and effective manpower and employment policies as a means of achieving full employment has been fully recognised in Canada. In June 1964, the Minister of Labour made the Government's policies in these fields explicit. He said that an understanding of manpower and employment policies of the Government of Canada can be approached most usefully in terms of the goals of such policy. He distinguished between employment policy and manpower policy, while recognising that they were highly inter-related and mutually supporting. " The goals of employment policy can be expressed in terms of the achievement of high level, productive and freely chosen employment. High level includes reasonably continuous or sustained employment so that seasonal and cyclical fluctuations in employment are moderated to the extent possible. High level and sustained employment should also apply to all of the regions of Canada. Moreover, these goals of employment policy must be achieved within the context of a viable and competitive economy.

" The goals of manpower policy can be expressed in terms of ensuring the nation's manpower resources are developed effectively so that they will meet the dynamic requirements of growth in the economy, and also meet the needs of each individual for the full development of his potential in human terms ".[1]

In the main, employment policy operates on the demand side of the labour market, and is concerned basically with the creation of employment opportunities. Government intervention in this field is directed at providing the conditions under which the private sector of our economy will develop a satisfactory rate of employment growth. To the extent that this necessary rate of employment growth cannot be achieved, the Government seeks to fill in the gap through a policy of more directly creating useful employment opportunities.

A major impact of Government policy in this field of employment operates through fiscal and monetary policy, and is directed toward the stimulation of a high rate of long-term economic growth. The more direct employment policies and programmes operate in specific problem areas. In recent years, the latter have been playing an increasingly important role. This has meant that the inter-relations between manpower policies, employment policies and the more general economic policies, as well as the policies themselves, are becoming vitally important.

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[1] Government Manpower and Employment Policy in Canada. Hon. Allan J. Mac Eachen, Minister of Labour, Address to Fifteenth Annual Conference at the Industrial Relations Centre, Mc Gill University, Montreal, 8th June, 1964.

The role of social capital development is an example of the mutual interdependence of economic, employment and manpower policies. Social capital in schools and other training facilities, in transportation and public utilities creates employment. It also has other important effects. In the case of educational institutions, it operates as well on the supply side of the labour market by providing for the long-term development of the nation's manpower resources. Thus, social capital development in an important way is linked to both employment policy and manpower policy. It can also play a role in offsetting cyclical downturns in business activity by bringing forward public construction projects at a time when private investment is slack. In this way, social capital development is a means of helping to implement a policy of maintaining full employment by dampening cyclical, and also seasonal, swings in the economy.

SEASONAL UNEMPLOYMENT

Although there are numerous causes of seasonal variations in employment, the fundamental determinant in Canada is its long, severe winter. Directly, it affects such industries as agriculture, fishing, forestry, food processing, construction, and the tourist trade. It also has significant indirect influences on transportation and other distributive industries and many manufacturing industries. Seasonal fluctuations in the operations of some individual industries occur at different seasons, but the offsetting effects on employment are not great. The industries that have their lowest level of employment between mid-January and mid-March account for about three-quarters of total employment in the country.

As a result of technological developments, seasonal fluctuations have declined considerably over the past several decades. Improved planning and techniques and better machines have increased the number of operations that can be carried on in winter. Technological changes have made it advantageous to transfer certain operations from winter to summer. Seasonal fluctuations in the construction industry have been reduced considerably and the length of the construction season has been increased. As a result of the rapid growth of the industry, however, more workers are affected by the slack season. In agriculture, technological developments have been accompanied by a decline in employment without any significant change in the seasonal pattern.

The amount of unemployment caused by seasonality is not as great as the swings in employment would indicate, because some workers move into other employment during the slack season, while others retire from the labour force during winter months. This is particularly true in agriculture, where summer employment is made up largely of unpaid family workers, students and other part-year workers who do not seek work during the rest of the year. Farm operators and other farm workers in Eastern Canada find employment in logging during the winter. However, this source of winter employment is becoming less important because of mechanisation in the logging industry, and this fact has tended to aggravate the seasonal unemployment problem in this part of the country.

The following table shows the amplitude of seasonal employment in Canada and indicates the number of workers affected in each industry. It will be noted that construction accounts for about 30 per cent of the total disemployment in Canada. This is why the emphasis of seasonal unemployment programmes is directed at the stimulation of winter construction. Disemployment in agriculture, though somewhat larger than in construction, does not create nearly as much unemployment.

AVERAGE SEASONAL EMPLOYMENT CHANGE
CANADA, 1953-1963

	AMPLITUDE[1] %	DISEMPLOYMENT[2] (000's)
All industries	9	586
Agriculture	29	182
Forestry	56	45
Fishing, Trapping	96	24
Mining, Quarrying, Oil Wells	4	4
Manufacturing	5	79
Construction	37	171
Transportation, Storage, Communication	8	37
Public Utilities	9	8
Trade	5	46
Finance, Insurance, Real Estate	2	4
Services[3]	1	30

1. Average seasonal index peak — average seasonal index trough.
2. Seasonal amplitude applied to 1963 average employment.
3. Government, community, recreation, business and personal.

Although seasonal unemployment in Canada does not fully reflect the swings in employment, it is nevertheless substantial. On average during the period 1959-1963, unemployment rose from a low of 4.3 per cent of the labour force in the summertime to more than double that rate, 9.3 per cent, at the winter peak. This means that, on average, at least 325,000 more persons were unemployed in winter than in summer. By far the major part of the seasonally unemployed are male workers. Unemployment among women workers rises by only about one-third between summer and winter, because many women who take seasonal jobs during the summer season do not look for work during the winter months.

PROGRAMMES TO COUNTERACT SEASONAL UNEMPLOYMENT

An accelerated programme of research into the amplitude and structure of seasonal employment and unemployment variations was begun in the early 1950s. Several reports based on existing data and special surveys into the causes of seasonal unemployment were prepared[1]. The problem was examined by a National Winter Employment Conference in 1958 and by a Special Committee of the Senate as part of its overall study on Manpower and Employment in 1960-1961. The resulting recommendations, together with the continuing policy recommendations of the Department of Labour, are incorporated in the Government's winter employment programmes.

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[1] *Seasonal Unemployment in Canada:* National Employment Committee, 1954.
Canada's Seasonal Employment Problem: Economics and Research Branch, Department of Labour, 1958.
The Labour Gazette, Index Volume LX, 1960, Seasonal Unemployment in Canada, May 1960, pp. 444-456; Seasonal Unemployment in Canada — 2nd June, 1960, pp. 584-591; Seasonal Unemployment in Canada — 3rd July, 1960, pp. 694-701.
4th Session, 24th Parliament, 1960-1961, The Senate of Canada, Proceedings of the Special Committee of the Senate on Manpower and Employment, No. 16, 2nd March, 1961.

The oldest winter employment programme has come to be commonly known as the " Do It Now " campaign. It is a promotional effort designed to encourage employers and the general public to increase winter employment by carrying out renovations, repairs, etc, during the winter months, and by timing their purchases so as to provide maximum winter employment. This campaign has been particularly successful in increasing employment in the home improvement and related sectors of the economy. The advertising programme, supported by over 200 winter employment committees formed under the aegis of the National Employment Service, begins each fall and continues throughout the winter months.

Within the Federal Government, all departments and agencies are under instructions to arrange their expenditure programmes so as to create maximum winter employment. Plans and specifications, tender calls and contract awards for construction are timed to help maintain as high a winter employment as possible for the construction trades. Alterations, repairs and maintenance of buildings, housing and equipment owned by the Federal Government are also carried out as far as is practicable during the winter months. Procurement of supplies and materials is also arranged where practicable so as to create maximum winter employment.

THE MUNICIPAL WINTER WORKS INCENTIVE PROGRAMME

A Municipal Winter Works Incentive Programme was announced by the Canadian Government in 1958. Under this programme the Government offered, as an incentive to winter construction, to share the cost of certain municipal projects that are not normally undertaken in winter. The Government offered to pay 50 per cent of direct payroll costs during the period of the programme. Approved projects fall into the following categories :

1. construction or major reconstruction of streets, side-walks, roads (other than arterial roads);
2. construction and major reconstruction of water, sewage and storm sewage facilities (not including buildings);
3. the construction and development of municipal parks and playgrounds (not including school playgrounds). The programme got under way in 1958-1959 and there has been a programme in each subsequent winter.

All of the provinces, as well as the Yukon and Northwest Territories and a number of Indian Bands, have participated in the programme, and most of the provinces provide a supplement to the federal contribution as a further incentive to municipalities. In the 1962-1963 programme, for instance, Prince Edward Island, Ontario, Saskatchewan, Alberta and British Columbia contributed 25 per cent of direct payroll costs; Quebec contributed 40 per cent of direct payroll costs. British Columbia contributed an additional 25 per cent in respect of wages paid to persons employed under the programme who had been receiving welfare assistance for a specified period; Manitoba 25 per cent of direct payroll costs in respect of unemployed persons not entitled to unemployment insurance who were employed on accepted projects, and 50 per cent in respect of persons who had been getting social allowances for a specified period before they were employed under the programme.

In the Winter of 1963-1964, a number of changes were made to increase the effectiveness of the programme. The ceiling on the federal incentive payment for buildings and major renovations was raised from $ 50,000 to $ 100,000 in order to help municipalities to plan the inclusion of larger buildings in the programme. The period during which the programme was operative was shortened from 7 1/2 months to 6 months (1st November to 30th April inclusive) in order to concentrate activity in the months of highest seasonal unemployment.

The Government also designated 45 areas of exceptionally heavy winter unemployment which are eligible to receive special assistance, consisting of

a) special federal winter construction programmes;

b) an increase in the incentive payment from 50 per cent to 60 per cent of payroll expenditure on approved winter works projects.

The number of municipalities participating in the programme has increased from 647, when the programme was inaugurated in 1958-1959, to 2,757 in 1963-1964. The number of man-days work provided increased from just over one million in 1958-1959 to almost seven million in 1963-1964.

THE WINTER HOUSE BUILDING INCENTIVE PROGRAMME

The Winter House Building Incentive Programme was introduced in 1963. Under the programme, the Federal Government provided through the Department of Labour a direct payment of $ 500 in cash to the owner-builder or the first purchaser of a house on which the major part of the construction was completed during the period from 1st December to 31st March. The $ 500 payment applies to single houses, and to each unit in multiple residential buildings of not more than four units, built solely for year-round residential use within the above-mentioned specified time limits. A four-unit building, for example, qualified for an incentive payment of $ 2,000.

The recipient of a cash payment for eligible house construction projects can use the money as he wishes. Payment of the incentive will be made to a person who has an eligible housing unit built by a contractor, builds it himself or acts as his own contractor, or is the first purchaser of an eligible house built by a merchant builder.

To be eligible under the programme this year, a house must be built between 15th November, 1964 and 31st March, 1965. Construction may proceed to the first-floor joist stage before 15th November, and outside painting, walks, driveways and landscaping may be completed after 31st March.

This programme, in terms of employment result per dollar of Government expenditure, has been the most effective of the Federal Government's winter employment programmes. During the Winter of 1963-1964, the Government spent some $ 14 million through the payment of bonuses to winter housing purchasers. This expenditure has had a leverage effect on the timing of some $ 568 million of housing which has influenced the timing of an estimated 90,000 on-site jobs and 115,000 off-site jobs, or a total of 205,000 jobs for the four months of the programme. Thus, for a relatively small expenditure of public funds, it has substantially reduced the volume of winter unemployment. To influence seasonality effectively, the programme has to act by shifting activity from summer to winter. From the evidence now available, it appears that the incentive programme has in fact worked largely in this fashion.

It should be noted that the programme does not cover engineering construction, or non-residential building generally. Within the residential field, apartment buildings were excluded, as was repair and renovation of all types. Thus, the housing activity that is covered by the programme accounts for only a small proportion — perhaps one-quarter — of total construction activity. It is this part of the construction industry, however, that has traditionally shown the greatest employment decline in the winter months. In terms of reducing the number of seasonally unemployed, a cutting down of the seasonal swing in this sector gives the largest returns.

In the long run, when the construction and allied industries have adjusted to the new situation, it is to be hoped that gains of greater and lasting importance will be realised. The efficiency of the housing industry may be expected to increase if year-round work becomes the rule. The reduction of seasonal fluctuation will hasten the day when steady attachments between employer and employee in this industry become general. The development of such attachments is considered to be most important because it will help provide an environment where unskilled can gain a semi-skilled or skilled status as the natural consequence of being employed.

PROMOTION OF REGIONAL AND AREA EXPANSION

One consequence of Canada's extensive geography has been a continuing preoccupation with the relative prosperity of its various parts. Traditionally, government policy has been to foster a balanced regional growth and to compensate sections of the country for certain disadvantages, e.g., those arising from long distances to markets. Some of the most important legislative measures of the past have been designed to achieve this objective.

In the post-war period, and particularly since 1957, concern for lagging areas has increased, for two reasons. First, the sharp rise in unemployment that occurred in 1958 made the long-term weaknesses and income disparities of particular areas and regions more obvious. Secondly, industrial change has proceeded more rapidly than in the past, and as usual its impact has been uneven. The rise in activity that occurred after 1961 has left many pockets of high unemployment, under-employment and slow growth.

The foregoing table illustrates the regional distribution of unemployment and the disparity in unemployment rates. It will be noted that the incidence

REGIONAL UNEMPLOYMENT AVERAGE, 1964

	NUMBER ('000)	PER CENT OF LABOUR FORCE %	DISTRIBUTION %
CANADA	325	4.7	100.0
Atlantic	48	7.8	14.8
Quebec	123	6.3	38.0
Ontario	83	3.3	25.6
Prairie	36	3.0	11.1
Pacific	34	5.3	10.5

of unemployment in the Atlantic region is almost twice that of the national average, and 2 1/2 times that of the Ontario and Prairie regions. As can be imagined, the margin is much greater in some specific local areas of the Atlantic provinces. Moreover, the magnitude of unemployment in such regions as the Atlantic provinces may be understated by the unemployment estimate, because of the tendency on the part of unemployed to withdraw from the labour force when there is little or no prospect of getting a job. It is significant that the Atlantic region has by far the lowest participation rate for males in the prime labour force age groups, i.e., ages 25 to 55. While, to some extent, this phenomenon may be related to other broad social characteristics of the region, it seems likely that an important cause is the general lack of job opportunities.

The growth of employment in the Atlantic region has been much below that in the remainder of Canada. Between 1953 and 1963, the trend rate of growth of non-agricultural employment in the Atlantic region was much lower than that recorded elsewhere.

ANNUAL RATE OF GROWTH
OF NON-AGRICULTURAL EMPLOYMENT 1953-63

REGION	NON-AGRICULTURAL EMPLOYMENT ANNUAL GROWTH RATE 1953-1963
	%
Atlantic	1.7
Quebec	2.5
Ontario	2.7
Prairie	4.0
British Columbia	2.9

The Atlantic economy has shared a characteristic common to many areas of poverty and high unemployment rates in North America: its economy has traditionally been geared to a resource base which has either eroded away or suffered from relative demand stagnation. At the same time, the expansion in secondary manufacturing and in services, while far from negligible, has not been sufficient to offset the heavy declines in the essentially resource-based industries and to provide sufficient growth to accommodate the natural increase in the labour force.

This decline in the resource-based industries has been particularly important in an area which had a disproportionately large share of its employment in those industries. In 1911, 162,000 of a total Maritime labour force of 323,000 (50 per cent) were in primary industry occupations. In the remainder of Canada, 38 per cent were in the primary occupations. The decline of primary industry occupations in the Maritimes from 162,000 down to 69,000 over the period from 1911 to 1961 has been a substantial offset to the increase from 161,000 to 381,000 in the non-primary occupations.

The greater decline of the primary industry occupations in the Maritime region has been of great significance to the Maritimes labour force. The table below illustrates the relative importance of the decline in primary industry occupations in the Maritime region and in the remainder of Canada over the period from 1911 to 1961.

PRIMARY INDUSTRY OCCUPATION CHANGE AS A PERCENTAGE OF LABOUR FORCE

Period	Maritime Provinces %	Rest of Canada %
1911-1921	— 3.4	3.5
1921-1931	— 1.6	4.8
1931-1941	— 0.2	0.3
1941-1951	— 8.9	— 6.0
1951-1961	— 10.3	— 3.3

Note : Newfoundland not included.

As the table shows, the decline of the primary industry occupations has been of particular importance to the Maritime region over the past decade. This decline is typical of the entire Atlantic region as the table below demonstrates.

INDUSTRIAL LABOUR FORCE CHANGES, 1951-1961

	Primary Industries		Defence Services		Non-Primary Non-Defence	
	Atlantic ('000)	Rest of Canada ('000)	Atlantic ('000)	Rest of Canada ('000)	Atlantic ('000)	Rest of Canada ('000)
1951	154	957	20	81	356	3,718
1961	95	809	41	130	426	4,958
Change	— 59	— 148	21	49	70	1,240
Percentage Change	— 38	— 15	105	60	20	33

Does not include the Yukon or Northwest Territories.

In the last decade the decline in the primary industries has had a particularly marked effect on the entire Atlantic region. To some degree this has been offset by a considerable expansion of the federal defence services in the region. It is worth noting, however, that expansion in the non-primary, non-defence segment has proceeded at a somewhat lower rate than in the remainder of Canada.

Although the great decline of the primary industries has undoubtedly been one of the most significant factors in the stagnation of the Atlantic region, it would be unwise to adopt it as the sole explanation. Growth rates in non-primary industries in other areas have in general been higher than in the Atlantic region. This slower growth in the secondary manufacturing and service areas provides a considerable part of the explanation for the relative stagnation in the region.

Since 1960, attempts have been made to influence the geographic location of industry in Canada through tax incentives. Two programmes have been initiated successively, and a revision of the second programme is now in progress. In each instance the statements of the Ministers most concerned have made it clear that the aim should be to bring jobs to local areas of high, chronic unemployment and slow economic growth. The objective of the programmes has therefore been to provide employment for immobile unemployed workers. To reach this objective it is necessary to bring jobs to within commuting distance of workers in the most serious pockets of unemployment. This is not to say that policies of labour mobility are not important, for they too must play a role in helping to move the more mobile of the unemployed to areas of greater employment opportunity. However, no matter how successful policies to stimulate labour mobility are, there will always be a significant residual of workers for whom programmes of labour mobility will not provide a realistic means of securing employment, and for whom jobs must be created in their local area.

Experience in Canada indicates that employment expansion in so-called " growth points " does not provide employment or income for unemployed workers in outlying areas far removed from these centres. This is particularly relevant in Canada, where distances between centres of any significant size are sometimes very great. Research on problem areas of high unemployment has generally shown that in areas of declining job opportunities there is a substantial core of workers who are unable or unwilling to move. There have been several instances in the past of groups of workers that have transferred from such areas to other parts of the same province only to return to their homes, and to unemployment, within relatively short periods of time. This core of immobility may be obscured by high overall rates of out-migration. A closer examination reveals, however, that the bulk of migrants are young adults. Migration rates in the over 35 group, where unemployment rates are the highest, have been quite low. Canada's present area designation programme is designed to assist this group of unemployed.

Legislation to encourage the movement of industry into labour surplus areas was first enacted in 1960 under the Special Capital Cost Allowances Programme. Under this programme, a firm could claim in the first taxation year of commercial operations, double the normal depreciation allowance it had acquired in a designated surplus manpower area, provided the assets were used in the manufacture of products that were new to the area. The areas in which these benefits were applicable were designated on recommendation of the Department of Labour after application had been made by municipal authorities, and investigation revealed that the area met certain established criteria. In 1963 a new programme was announced and an Area Development Agency was set up within a newly established Department of Industry to work in co-operation with other federal agencies, provincial and municipal authorities and with the industrial and commercial interests in relation to designated areas. A total of 35 areas were selected, in which new processing firms were given enlarged tax benefits. The areas were designated on the basis of objective criteria designed to select areas in which unemployment was relatively high, and in which employment had increased at less than half the national average over the long term. The criteria also made provision for taking into account areas in which a severe employment dislocation over a relatively short period had occurred. The geographic basis for the selection of areas was the area served by local offices of the National Employment Service.

Benefits accruing to manufacturing and processing enterprises located in designated areas included important tax concessions;

1. certified new enterprises were exempt from corporation income tax during the three-year period following the start of commercial operations;
2. the rate at which new entreprises were allowed to write off capital invested in building, machinery and equipment was accelerated. A rate

of 50 per cent on a " straight-line " basis is permitted in calculating the allowance on new machinery and equipment, compared to a normal rate of 20 per cent on a diminishing balance basis. Under the programme, new buildings acquired in such designated areas now qualify for accelerated capital cost allowances at the rate of 20 per cent per year on a straightline basis. This compares with a normal rate of 5 per cent on a diminishing balance basis for most buildings. Manufacturing and processing enterprises, moreover, can postpone these accelerated allowances until their three-year income tax exemption has run its course.

Because of its overall responsibilities in the field of employment and unemployment, the Department of Labour has been assigned the responsibility for the designation of areas under the programme. In the fall of 1963, 35 of the 200-odd local areas served by offices of the National Employment Service were designated as development areas, with some 8.5 per cent of the Canadian labour force living within the boundaries of the designated areas. Provisions were made for a regular annual review of all areas in order to determine which areas might later qualify and which might cease to qualify because of changing patterns of economic growth.

From the inception of the programme in late 1963 to mid-February 1965, a total of 218 firms had signified their intention of establishing facilities in 26 of the 35 designated areas in such a manner as to benefit from the Federal Tax Incentive Programme. These 218 projects represent a total planned investment of about $ 500 million and an estimated total employment of 16,600 persons.

By comparison, the former Special Capital Cost Allowances Programme had been less successful, and only industries making intensive use of capital had located in the surplus labour areas as a result of the programme. Over a period of more than three years, only 30 projects had been realised, involving plant and machinery assets worth some $ 130 million and providing direct employment to only 3,700 workers at the production stage[1].

As mentioned in other sections of this report, the Government of Canada also helps to improve the social infra-structure of these areas by paying a portion of the cost of needed municipal works through the priority given to its own construction projects in these areas, and through the activities of the Munipical Development and Loan Board and the Atlantic Development Board.

In spite of its success in bringing jobs to many of the designated areas, an examination of the area designation criteria and the location of jobs created by the programme has revealed a number of shortcomings. The most significant limitation of the present statistical criteria for area designation is that they do not take into account under-employment, which is the principal kind of under-utilisation of manpower in many areas of Canada. The development of objective criteria to use in designating areas of high unemployment, high under-employment and slow growth is now in progress (March 1965). Additional refinements to industrial incentives are also being developed in order to make them more effective. Assessment of the programme has also revealed that by and large the jobs provided have not been in areas suffering from the heaviest unemployment, and even in those areas that have benefited under the programme, there are significant numbers of unemployed still remaining. It is apparent, in fact, that an enlarged programme of assistance to the movement and training of workers in designated areas is necessary to deal successfully with the area unemployment problem.

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[1] It is significant that the Capital Cost Allowances Programme, which subsidised more heavily the more capital intensive industries, resulted in more heavily capital intensive industries being established than did the present programme.

Other Programmes of Employment and Economic Expansion

This Chapter has been mainly concerned with government programmes designed to influence by direct means the creation of employment opportunities. It should be stressed, however, that the major impact of government policy on employment is an indirect one derived through fiscal, monetary and trade expansion measures. It is principally policies of these kinds that achieve not only full employment, but the equally important goals of stable prices and equitable income distribution.

In seeking to attain these objectives in an orderly way, the government has established a number of specialised agencies. The most important of these is the Economic Council of Canada. The Council, which was established in 1963, replaced the National Productivity Council which had been set up three years earlier. The Council issued its first report at the end of 1964[1], in which it concentrated on a review of medium-and long-term prospects and problems in Canada. The review establishes a series of economic objectives to 1970 based on the estimated growth of population and productivity. It outlines some of the major problems in achieving these goals and the guiding principles for policy.

Other agencies have been established in recent years to meet specific employment problems. The Agricultural Rehabilitation and Development Administration was set up in 1961 to implement a long-term programme of bringing higher levels of prosperity to the less favoured rural areas of Canada. The three main objectives of the programme are:

1. to find alternative uses for agricultural lands that are marginal or of low productivity;
2. to develop and conserve soil and water resources; and
3. to promote the development of prosperous rural communities.

As a result of the programme, lands on which a subsistence type of farming was practised until now are being reforested, turned into community pastures or into recreation areas for tourists. Other marginal farming areas are being taken over by ARDA for drainage or tree planting to prevent soil erosion. Although little money has been spent so far on human resources, it is planned that workers leaving the areas will be trained adequately for new urban occupations and that those who remain will be trained to carry out a more intensive type of farming.

The Atlantic Development Board was established in 1962 for the purpose of promoting programmes and projects to foster the economic growth and development of the Atlantic region of Canada. For this purpose it was provided with a fund of $ 100 million. The Board's activities fall into two main fields. The first includes studies or surveys financed from the Board's annual appropriation. The second involves the use of the capital funds, and in this respect, the Board has decided that priority should be given to projects intended to achieve long-term improvement in basic facilities in the Atlantic region.

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[1] *Economic Goals for Canada to 1970*, First Annual Review, Economic Council of Canada, December 1964.

In particular, it has concluded that power and transportation facilities are generally inadequate and call for special attention. It has recommended, and the government has approved, two major expenditures for hydro-electric projects and other commitments have been made for the purpose of improving highways in the provinces. In addition to these major expenditures, a number of smaller grants have been made from the fund to assist in the provision of basic facilities needed for industries of the Atlantic region. A number of economic and engineering feasibility studies have also been initiated.

The Municipal Development and Loan Board was set up in 1963 to promote increased employment in Canada by financial assistance by way of loans to municipalities, to enable them to augment or accelerate municipal capital works programmes. Loans may either be made to the provinces or, with the approval of the province, directly to the municipality. In order to accelerate the development of municipal infrastructure, the Act provides that if a municipal project, undertaken by means of a loan from the Board, is completed before the end of the 1966 fiscal year, the Board shall forgive payment of 25 per cent of the principal of the loan made. For projects completed after that date the Board shall forgive payment of 25 per cent of the loan. The amount that may be borrowed by a municipality on any project may be up to two-thirds of the cost of the project, and the municipality has the advantage of borrowing money at a lower rate of interest than is likely to be attainable in the market. The total sum at the disposal of the Board is $ 400 million and provinces may borrow up to the proportion of this sum which is represented by the province's percentage of the Canadian population.

Chapter III

MANPOWER POLICIES

Manpower policy, unlike employment policy, is basically directed at the supply side of the labour market. One major emphasis of Canada's manpower policy is on facilitating the process of economic growth through the development of Canada's manpower resources to meet the changing needs of the economy. A second emphasis of policy is directed toward increasing efficiency in the use of manpower resources by ensuring that the labour market functions as effectively as possible.

VOCATIONAL AND TECHNICAL TRAINING OF YOUTH

The rapid growth of the labour force in the last few years will accelerate during the next five or six years. This prospect underlines the importance of adequately preparing young people to adjust to the needs of an economy characterised by an ever-changing technology and by major employment shifts.

The number of young persons entering the school system and then into the labour market over the decade 1961-1971 will increase by about one and a half million, as compared with an increase of only one-third of that over the previous decade. Preparation of these young people to develop their full potential, and at the same time to meet the needs of the economy, is a basic form of both economic and social investment. It is an integral part of the process of economic growth and employment creation. A well-trained and adaptable labour force is not only a necessary element of the growth process, but also plays a significant role in stimulating economic growth itself.

One of the major concerns of recent years has been the development of short-run imbalances in the supply and demand for labour. These imbalances are manifested in recurring shortages of particular skills in parts of the country along with recurring heavy surpluses of labour, particularly among the unskilled. They have been the result of the shifting structure of demand for different occupations combined with a serious lagging rate of response to these changes.

Another matter of concern is that in the post-war period a large number — 110,000 of 280,000 — of the skilled workers added to the labour force were immigrants. This heavy dependence on immigrant skill, particularly in the period from 1946 to 1956, tended to mask the slow development of labour force skills among the native-born population. As noted elsewhere, there has been a substantial decline in the level of immigration during the past several years. This decline, in conjunction with a continuing emigration of skilled, technical and professional workers, has brought about an increased awareness of the inadequacy of facilities for vocational training.

A recognition of all these factors culminated in the Technical and Vocational Training Assistance Act of December 1960, which altered decisively the course of technical and vocational training in Canada. Essentially, the new legislation provides for greatly expanded assistance to the provinces to allow them more effectively to meet Canada's urgent need to train both the youth and adult population.

The federal Department of Labour, which is charged with the implementation of the Act, co-operates with the provincial government Departments of Education and Labour, employers, employers' organisations, organised labour, federal government departments and agencies, including crown corporations and the armed services, in the promotion, organisation and development of all types of public training programmes deemed necessary to prepare persons for employment, or to upgrade workers in their present occupations.

As the table below demonstrates, the bulk of the federal share of the programme consists of grants towards the capital cost of the new facilities provided by the provinces. Since education in Canada falls within the jurisdiction of the provinces[1], it is they who operate the technical and vocational schools and programmes.

FEDERAL GRANTS TO PROVINCES FOR TECHNICAL AND VOCATIONAL TRAINING

Million dollars.

FISCAL YEAR	CAPITAL	OPERATING
1961-1962	18	18
1962-1963	180	28
1963-1964	102	34

The Technical and Vocational Training Assistance Act of 1960 did away with the limit on federal contributions and raised the contribution rate to 75 per cent until 31st March, 1963, and 50 per cent thereafter. As a result of this change, and of the increasing importance of training to both individual and social welfare, the programme underwent considerable expansion.

In December 1963, the legislation was amended to extend the period during which the Federal Government would share costs at the 75 per cent rate until the federal contribution has reached $ 480 per person in the province in the 15-19 age group, as recorded in the 1961 Census. Thereafter, until the agreements expire in 1967, the federal contribution will revert to the 50 per cent rate. The impact of the changes in the legislation on federal capital grants has been very great. Since the extension of the 75 per cent sharing arrangement in December 1963, the pace of the programme has re-accelerated.

Under the legislation in the federal-provincial agreements, the provinces determine the nature, location, and extent of the new facilities to be constructed. Up to the end of 1964, a total of 652 capital projects with an aggregate value of $ 684 million had been approved, entailing a total federal contribution of $ 411 million.

The result of the capital expenditure programme has been an increase from 108,000 student places for technical and vocational training in 1960 to nearly 300,000 at the end of 1964. It is estimated, however, that by 1970 about 500,000 places will be required.

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[1] The organisation of education in Canada is described in the Appendix.

The Federal Government makes grants to the provinces toward the cost of operating vocational high school classes. The total amount of the grant is limited to $ 15 million over a six-year period and, for any province, may be up to 50 per cent of provincial operating costs. The 1963-1964 contribution was somewhat under $ 3 million toward the cost of training 164,000 students[1].

There has been a persistent shortage of persons in many technically trained occupations at the post-high school level, and the Federal Government makes contributions toward the provincial operating costs of programmes designed to increase their numbers. During the past fiscal year, the Federal Government contributed about $ 7 million towards the cost of training nearly 14,000 technicians.

THE TRAINING OF ADULT MANPOWER

The increasing rate of change in the requirements of technology and shifting industrial patterns has created an urgent need for the development of training programmes for adult employed manpower. Today's fast-paced technological developments mean that a worker must acquire more sophisticated technical skills, which can only be developed on a broader and deeper general educational background than adult workers typically have. To an increasing degree, today's workers must adapt to changed occupations, to a changed industry, to a new community — and sometimes to all three. Adaptability is the basic requirement of the present and future labour force.

It is against this background that policies directed toward the training of employed workers have been developed in co-operation with provincial governments and industry. The result has been a series of federal -provincial programmes in specific training and retraining fields. One of these is a programme of trade and occupational training for those who have left the secondary schools. The basic aim of this programme is to provide pre-employment, upgrading and retraining courses for adults. Full-time day courses in more than 80 occupations are provided and a substantial number of evening programmes are carried on. The Federal Government contributed over $ 10 million towards the cost of training some 27,000 persons who enrolled during the past fiscal year.

When a worker becomes unemployed because of technological change, it is important that his knowledge and skills be assessed as soon as possible to determine if further training or retraining would improve his ability to compete in the labour market. Several years ago, the Canadian Government embarked on a comprehensive programme to train and retrain unemployed workers. Under this programme, provincial governments provide a wide range of general educational and occupational courses of varying length and time. The types and lengths of courses are usually determined by immediate or anticipated needs for different kinds of trained workers in the community in which training is being given or in other communities where labour shortages exist. Training may be given, however, even in occupations where opportunities for immediate employment are not apparent.

These courses are open to people 16 years of age and over who are registered for employment with the National Employment Service. Such persons may be workers who have no particular skills and wish to better themselves. They may be persons whose skills are no longer required because of changes in industry. They may be workers who require refresher courses or need to be brought up to date on new methods in their trade. They may be persons who wish to enter entirely new lines of work.

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[1] The 164,000 total does not include those in Quebec.

The training programme for unemployed workers, therefore, is a comprehensive one. There are no fees charged for those accepted for training in these courses. In addition, should an unemployed worker be entitled to receive unemployment insurance benefits, he may continue to receive these benefits while being trained. As well, training allowances may be paid to those unemployed workers taking training who are not in receipt of unemployment insurance benefits. Allowances may also be paid as a supplement to unemployment insurance benefits.

The number of unemployed workers being trained in this programme has multiplied many times over recent years. The length of training is normally about six months, although some courses may take as long as 12 months. In the past year, almost 50,000 persons took part in training courses. Basic educational training, a prerequisite for many types of skill development, was given to 16,000 of those registered. Vocational training was provided in 115 occupations in 300 centres across the country.

This programme cannot be expected to absorb all of the unemployed. For example, persons who expect shortly to be re-employed may not wish to enter training programmes, while others may not be in a position to benefit from the programme, It is apparent, nevertheless, that there is room for some further expansion of this programme.

A federal-provincial programme of training in co-operation with industry is designed to stimulate in-plant training, retraining and upgrading. A recent amendment to the Technical and Vocational Training Assistance Act has raised the Federal Government contribution under this programme to 75 per cent of the costs of basic training (e.g., mathematics, science), apprenticeship or retraining of those otherwise displaced by technological or other industrial change. For other types of training under this programme, the federal contribution is 50 per cent of the training costs. The Federal Government also shares equally with the governments of nine provinces the cost of training programmes for apprentices. The number of apprentices registered in these provinces has grown from 20,300 in 1960-61 to 23,200 in 1963-64. The number of persons enrolled in other in-plant training programmes financed under the federal-provincial agreements is shown in the following table. The total number of workers trained by industry is not available, but it is known that

ENROLMENT IN FEDERAL-PROVINCIAL FINANCED IN-PLANT TRAINING PROGRAMMES 1961/62-1963/64*

	Small Business Management	Supervisory Training	Workers	Total
1961-1962	0	1,508	197	1,705
1962-1963	n/a	3,360	410	3,770
1963-1964	2,384	4,479[1]	951[1]	7,814[1]

* Excluding apprenticeship.

[1] Incomplete reports.

the major part of in-plant training is under programmes not supported financially by Government.

In order to accelerate the expansion of training facilities generally, it has been necessary to stimulate the training of competent instructors. Enrolments in federal-provincial programmes to enable such technically competent persons to pass their skills on to others were 601 in 1962-63 and 749 in 1963-64.

The sum total of these programmes to improve the skill level of the labour force amounts to a near revolution in Canada's educational system. To date, the major portion of the expenditures has been directed toward providing young persons with the skills that will be needed by themselves and their society. At the same time, programmes which deal largely with training, retraining and upgrading the skill level of the adult labour force, though still small in relation to the need, are expanding rapidly. The aim of these efforts, of course, is a better trained, better balanced labour force that Canada needs to maintain her competitive position in the world economy, to lessen structural unemployment and to provide an increasing flow of goods and services to an expanding population in the years ahead.

Technological Change and Manpower Problems

The manpower adjustment problems created by the increasing pace of automation and technological change have their initial impact at the plant level, and frequently involve the complex issue of job security. Many of the human problems created by technological change can be most effectively handled at the level of the individual company or plant. These problems can frequently be dealt with by the employer and the union if they are recognised in time and if there is some means by which the employer and the union can discuss them and find mutually acceptable solutions. This is particularly true in Canada where, like the United States, collective bargaining is a highly decentralised process which takes place in individual companies or undertakings.

For this general reason, the Canadian Government has for some time encouraged the establishment of labour-management co-operation committees in individual companies throughout the country. These committees provide a basis for continuing consultation between labour and management concerning a wide range of problems. They provide an opportunity for problems to be discussed in an atmosphere of co-operation and objectivity which otherwise might be difficult to achieve. At present, over 2,000 labour-management co-operation committees have been established across Canada.

Technological change, of course, is a continuing process in almost every industry. From time to time, however, it involves the installation of a major piece of equipment or new production process which causes substantial dislocation to a company's work force. In these cases, much hardship and waste of human resources can result unless careful advance planning is carried out and imaginative measures are undertaken.

The difficult and complex problems which major changes of this kind impose on individual companies and workers have led the Canadian Government to establish a Manpower Consultative Service which will provide technical and financial help to companies and unions in these kinds of circumstances. This Manpower Consultative Service is based on the following principles:

a) that appropriate plans at the plant level must be developed well *in advance* of anticipated worker displacement, or unnecessary unemployment will result; this requires advance research and assessment of the manpower consequences of industrial changes;

b) where there is a union, research, and the plans which develop from it, should be developed jointly by management and unions to remove obstacles to constructive action which result from a lack of understanding and agreement as to the facts and the problem;

c) that use of those government services which can help in bringing about effective manpower adjustments should be effectively co-ordinated at the plant level. Such important services are provided under the Technical and Vocational Training Assistance Act for training and retraining and by the National Employment Service for the placement and re-employment of workers.

To apply these principles, the Manpower Consultative Service of the Canadian Department of Labour is administering manpower adjustment incentives and special labour mobility incentives. In the case of the manpower adjustment incentives, the Canadian Government will pay for one half of the costs incurred by employers or employers and unions together in assessing in advance the manpower effects of a proposed technological change, and in developing but not implementing a programme of manpower adjustment. Where there is a recognised union, there must be agreement that management and union will participate jointly in both the research and development phases of a manpower adjustment programme.

In respect to mobility, the Canadian Government will also pay one half of the costs incurred in moving workers and their dependents who may be displaced by technological change to other communities where alternative employment is available.

This Manpower Consultative Service has been set up by the Government of Canada as a catalyst to facilitate the process of manpower adjustment to technological change. The Service will facilitate, make suggestions and advise management and unions in the investigation of technological change and its effects, rather than conduct investigations for them. It will provide the financial incentives mentioned above and co-ordinate those activities of other government agencies which can be helpful in individual circumstances. It is genuinely a consultative service and will only come into action on the request of labour and management. It is a new experiment but one which should be able to contribute effectively towards coherent planning, effective action and socially and economically beneficial results at the plant level.

The first two Manpower Assessment Incentive Agreements to be developed under the auspices of the Manpower Consultative Service were signed in February 1965. One agreement is between the Minister of Labour, the National Association of Broadcast Employees and Technicians (NABET) and the Canadian Broadcasting Corporation. It provides for the establishment of a joint committee, under an independent and impartial chairman, to direct the necessary research and investigations and to prepare and recommend the technological changes which the Corporation plans to introduce in the future. The Committee will have the power to employ investigators and research workers who will make the necessary assessments of changing work situations, employee potential and the training and upgrading necessary to adjust the present staff to changing job requirements. The agreement also provides for the federal Department of Labour to reimburse the parties for 50 per cent of the expense incurred in developing the programme.

In signing the agreement, the union recognised the necessity to adjust to technological change in an orderly and reasoned manner. They felt that this programme would provide the means for such adjustment and would minimise the likelihood of conflict, while providing the maximum protection for the union membership and the employer. The Canadian Broadcasting Corporation felt that the agreement would assist in their manpower planning to meet the technical innovations that will be introduced. The Corporation also felt that the project would help to allay any fears among employees about the security and future of their jobs as equipment changes are made.

The second agreement is with a Joint Consultative Committee of the towing industry of British Columbia, which represents 46 companies and four maritime unions. The agreement provides for a Manpower Assessment Programme, for which initial research is to be carried out by a subcommittee. The objective of the programme is to ease future manpower adjustments that are foreseen as a result of technological advances in the size and efficiency of vessels and barges, steering control mechanisms, navigational aids and galley equipment.

WOMEN: A GROWING MANPOWER RESOURCE

The recent impressive increase in the employment of women has underlined the need to develop policies relevant to the effective utilisation of womanpower in a milieu undergoing profound social and economic change.

The fact that married women account for a substantial proportion of this increase in women's employment in itself constitutes a problem from the point of view both of the individual woman and of society as a whole. For the most part such women have greater domestic responsibilities than other workers and, in many cases, are mothers of young children. At the same time, even as their numbers in the labour force have multiplied, it is widely assumed that woman's place is in the home. Society, therefore, apprehensive lest services and facilities to assist women to reconcile their responsibilities at home and at work might encourage the trend to outside employment, has been reluctant to make such adjustments.

NUMBER AND PER CENT OF WOMEN IN THE POPULATION

LABOUR FORCE, EMPLOYMENT,
AND LABOUR FORCE PARTICIPATION RATES

	TOTAL (000)	WOMEN (000)	PER CENT
1953:			
Civilian Non-Institutional Population 14 years of age and over	10,164	5,089	50.1
Labour Force	5,397	1,191	22.1
Employed	5,235	1,172	22.4
Participation Rate	53.1	23.4	—
1964:			
Civilian Non-Institutional Population 14 years of age and over	12,745	6,418	50.4
Labour Force	6,920	1,960	28.3
Employed	6,595	1,899	28.8
Participation Rate	54.3	30.5	—

The striking rise in the labour force participation of older women, particularly those 45 and over, presents further dilemmas. These women are establishing a new life pattern; their mothers did not return to work in middle life. Many of them have had little or no working experience, and such experience and training as they have had are outmoded. Finding jobs is likely to be difficult for them, and often they lack confidence to undertake special training. Moreover, because of the sheer irrelevance of their working background, they are frequently employed beneath their capacity.

WOMEN IN EMPLOYMENT BY MARITAL STATUS,
CANADA, 1953 AND 1964

	1953 (000)	1964 (000)	1953-1964 % INCREASE
Total Employed	1,172	1,899	60.0
Married	393	983	150.0
Per Cent of Total	33.5	51.8	—

Source: Labour Force Survey, Dominion Bureau of Statistics.

Divisions between men's work and women's work associated with cultural rather than functional factors have contributed to a lack of balance in the demand for men and women workers. While some women may be found in almost all occupational groupings, on the whole the occupational distribution of women continues to follow traditional patterns, and they tend to be concentrated in relatively few occupations and industries. To be sure, barriers to their admission to certain professions, occupations and industries have broken down to some degree, but the same barriers that formerly hampered their access to employment have become obstacles to advancement in careers. They are regarded as short-term employees, a poor investment for training. In this, as in other matters relating to women's employment, individual cases tend to be assimilated to the general characteristics ascribed to women workers.

Already in the early 1950s the Department of Labour had become aware of the over-riding need of a more informed approach to problems relating to women workers and their working conditions. In 1954, therefore, a small branch known as the Women's Bureau was established within the Department to serve as a focus for departmental policies and activities in relation to women in the labour force.

The objectives of the work of this Branch are to stimulate research into essential aspects of women's employment; to encourage adequate occupational preparation for women and working conditions conducive to their effective participation in the labour force; to provide a channel of communication with employer and labour groups and women's organisations concerned with women's participation in the labour force; to advise the Department in developing policies relating to women's work and to be available for consultation with other departments of the Federal Government and with the appropriate departments of provincial governments.

Since that time, publication of the facts of the female labour force has been given high priority. On the supposition that the problems of women's work have to be approached and solved within the same general framework of policy and action that applies to all workers, the Department has stressed special problems relating to women workers which arise from their maternal role and as a result of their evolving civic, economic and social status. Married women employed outside their homes were the subject of a research project conducted in eight cities; the aim of the study was to discover the characteristics of these workers, why they were working, the level of their education and training, the kinds of jobs they were doing and how they managed their dual responsibilities. Two reports were issued as a result of the study, the first a descriptive account of the findings and the second an analysis of the pattern of work in the lives of the women interviewed. These reports constitute the first, and thus far the only authentic, information regarding married women in the Canadian labour force and they have been widely studied.

Pamphlets, bulletins and other materials to disseminate information and stimulate study and discussion of the relevant issues; consultations and conferences involving interested individuals and groups; articles published by the Department or written on request for various periodicals; radio and television interviews; speeches and field contacts with various agencies and organisations — these are the chief means used to develop enlightened public opinion regarding women's employment. Further, it might be added that current acute shortages in many areas of skilled manpower which lend impetus to more efficient and effective development and utilisation of manpower may help to foster an open-minded and informed approach to the potential economic role of women in Canada.

Disadvantaged Groups

A comprehensive policy designed to make the most efficient use of manpower resources must aim to improve the job horizons of groups with many kinds of employment disadvantages. Technological change has accentuated many long-standing problems in this area, because its impact is frequently heaviest among older workers, particularly those with physical, emotional or other disabilities. The solution of these problems is of national importance. The extent to which a member of society works short of his willingness and potential is a measure of lost production to the economy and lack of job satisfaction to the individual.

Over the years, a variety of voluntary and governmental services have developed to meet the needs of disabled groups. Two of the major programmes have been the services for disabled veterans and the services for injured workmen provided under provincial workmen's compensation programmes. In addition, a wide range of voluntary agencies provide services for various groups of disabled, such as the blind, the arthritic, disabled children and other categories. The National Employment Service has a Special Services Division to deal with the placement of persons with employment handicaps of various kinds. Specialised employment counselling, personal presentation to employers, or referral to other community resources is undertaken by this Division. In major centres, psychological tests are administered to identify aptitude and in all centres training courses are utilised to provide skills that will permit gainful employment.

Following discussion and consultation among all groups in the country concerned with the disabled, a federal-provincial programme of vocational rehabilitation was inaugurated in 1952 through the federal Department of Labour to co-ordinate some of these piecemeal provisions on behalf of the civilian disabled population and to develop programmes of vocational rehabilitation of disabled persons within each province. The Vocational Rehabilitation of Disabled Persons Act which came into force in 1961, empowers the federal Minister of Labour to enter into agreements with the provinces to co-ordinate and develop programmes for the vocational rehabilitation of disabled persons. The Act gives statutory authority to the federal-provincial programme which has been developing over the past ten years. Through the agreements, the Federal Government may share the cost with a province of establishing an appropriate administrative organisation to co-ordinate all activities in the province relating to the vocational rehabilitation of disabled persons.

In the past few years, additional measures have been taken, particularly to deal with the difficult problems resulting from the impact of technological and industrial change on older workers. In 1963, an experimental programme was initiated to stimulate the employment and on-the-job training of long-term unemployed older workers. Recognising that " breaking-in " such workers could be costly to the employer, the Government offered to share in such costs until the worker became fully productive. The incentive payments under this programme amounted to 50 per cent of the employee's wages, up to a maximum of $ 75 per month. These incentive payments could be continued for as long as one year.

The experience gained under the programme clearly indicates the need for a new and many-sided approach. Age is only one, and not necessarily the major, factor contributing to lengthy unemployment among older workers. Prolonged unemployment, concern over a lack of education and skill, and declining self-confidence can create emotional and personal problems resulting in physical or mental impairment that prevent many from engaging in gainful employment. The nature of the contributing factors needs to be established and appropriate measures developed to deal with them.

Steps are now being taken to provide a programme of vocational re-establishment through which workers in these kinds of circumstances are assessed, counselled, conditioned for work, retrained, and with the services of vocational guidance and physical or mental restoration, brought again to gainful employment. The objective is to find the cause of the individual's particular employment handicap and to apply to each situation as required those services necessary to render him employable again.

In a programme of this kind there are a number of important principles. One is that while a variety of disciplines and services must be utilised, each must be provided by personnel who are specially trained and competent in their field. Another important principle is that the process of rehabilitation should be started as soon as possible. A third key principle is that there must be available rehabilitation counsellors who provide a liaison service to ensure that individuals receive specialised help as required in a continous and co-ordinated manner. A national programme of this kind in Canada is in the early stages of development but it is one of the essential components in an overall programme of activities needed to restore people with employment disadvantages to new and satisfying types of work.

IMMIGRATION AND EMIGRATION

Since the end of the Second World War, it has been the policy of the Government of Canada to increase the Canadian population through immigration in order to stimulate economic activity by providing new skills, ideas and enthusiasms, to expand the domestic market, and to support a higher level of cultural independence and creativity.

The period of heaviest immigration to Canada in the post-war years was between 1951 and 1957. During these years almost one and a quarter million immigrants arrived, an average of about 177,000 per year. In the succeeding six years, 1958-1963, the flow fell to about 575,000 an average of only 96,000 per year. The decline in immigration in these years was partly the result of the Government's decision in 1957 to restrict immigration in the face of economic danger signs: an approaching recession, a decrease in the demand for unskilled labour coupled with obsolescence in some occupations through technical advances, and a continued movement of population from rural to urban areas. At the same time, the supply of prospective immigrants in Canada's traditional source countries tightened; their expanding economies, increasing prosperity, and their own demands for labour were contributing factors in limiting the immigrant flow.

Canadian immigration policy underwent substantial change on 1st February, 1962, when new regulations became effective. Under the new regulations a suitably qualified person, from any part of the world, can be considered for immigration to Canada on his own merit without regard to race, colour, national origin, or the country from which he came. The new landing regulations permit the entry, subject to the usual health and character qualifications, of sponsored and unsponsored immigrants.

To qualify under the new regulations, an applicant for admission must have such education, skills, training, or other special qualifications as to render his successful establisment in Canada a likely possibility. No rigid yardsticks have been set. At the same time the educational standings, skill levels where applicable, and the professional qualifications of an individual must be related to Canadian conditions and requirements. Other factors also enter into the considerations, such as the applicant's knowledge of either of Canada's official languages, his financial resources, personal adaptability and motivations. Immigration staffs abroad are provided with up-to-date information on employment and business opportunities in Canada, based on the findings of immigration field surveys in Canada and economic and occupational data made available by the Department of Labour and other governmental agencies, federal and provincial.

An immigrant not possessing the requisite education or skills which would qualify him for admission as an unsponsored immigrant, may nevertheless be eligible for admission if he has a first degree relative who is a Canadian citizen or is legally resident in Canada, and who is in a position to receive and care for the immigrant. Persons who are citizens of any European country, including Turkey, or of any country in North, Central or South America or the adjacent islands, or Egypt, Israel or Lebanon, may be sponsored by a broad range of relatives if the latter are resident in Canada. Persons who are not citizens of those countries may be sponsored only by a narrower range of relatives.

The Department of Citizenship and Immigration maintains 34 offices abroad in a total of 21 countries. Four of these offices in the United States furnish information and counselling, but do not issue visas. Personnel at all posts are kept in close touch with economic conditions in Canada and therefore are able to advise immigrants regarding prospects for successful settlement. Examination of immigrants and visitors is carried out at 552 ports of entry on the Canadian coasts, at points along the international boundary, and at certain airports.

The National Employment Service also plays a part in facilitating the flow of immigrants to Canada. It maintains an office in London, England, in which full employment service is available to residents of the United Kingdom who are interested in emigrating to Canada. Through the extension of its clearance facilities to that office, and working in co-operation with the United Kingdom Ministry of Labour and the Canadian Immigration Service, employer's needs for workers who cannot be obtained in Canada are made known to applicants with the required qualifications. At the same time, the office of the Director of Canadian Immigration in London, and its subsidiary offices in other cities in Britain and Ireland, maintain a full counselling service for employment, business or farm settlement opportunities in Canada.

In the post-war period, immigration has had the effect of improving the skill mix of the labour force. Canadian employers have gone abroad to recruit persons possessing skills in short supply, particularly in technical fields. For instance, a survey of the Acquisition of Skills in Canada in 1956, before the vastly enlarged programme of technical and vocational training began, showed that, in five skilled trades, about 35 per cent of those interviewed were immigrants[1]. Within the group of five trades, the percentage of immigrants increased with skill level — over half those in draughting were immigrants.

Although the level of immigration has fallen in recent years and the accelerated programme of vocational training has begun to improve the skill level of the labour force, immigration continues to make a contribution toward raising skill levels. In the 1961-62 period the proportion of professional and technical workers was much higher among immigrants than among the labour force at large. Similarly, there were proportionately fewer immigrants in the declining primary industry occupations — farming, fishing, logging, and mining. Immigrants tended, however, to have a significantly higher percentage of unskilled labourers — an occupation in which substantial labour surpluses exist. The unskilled content of immigration intake consists almost entirely of sponsored immigrants, that is, immigrants nominated by relatives in Canada. These immigrants do not have to meet occupational criteria.

In the discussion of immigration, it should be noted that there are significant flows in the opposite direction, particularly to the United States[2]. These flows are difficult to account for fully, and less is known about the emigrant skill mix than would be desirable. It has been estimated that slightly more than 1 /5 th of the immigrants between 1946 and June 1961 emigrated. This constituted a little over half the total estimated emigration from Canada since 1946. However, no figures are available to show the rate at which emigrants from Canada return. Based on studies of census results in Canada and the United States, the volume is believed to be substantial, rendering unreliable any estimate of Canada's population loss through emigration.

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[1] Floor moulders, tool and die makers, senior draughtsmen, electronic technicians, sheetmetal workers. See *Acquisition of Skills*, Report No. 4, Department of Labour, 1960.

[2] In the ten years between 1953 and 1962, an estimated 662,000 persons emigrated from Canada. Of this total, approximately 62 per cent entered the United States. Of those entering the United States, a majority were Canadian born.

A primary objective of the immigration programme is satisfactory settlement. The Federal Government assists immigrants in establishing themselves in the Canadian community through the work of the Settlement Officers of the Immigration Branch, the Canadian Citizenship Branch and other government agencies, and co-operates closely with several voluntary agencies having the same objectives.

Landed immigrants are immediately eligible for the same National Employment Service as are residents of Canada. Immigration offices in Canada specialise in the settlement of immigrants, including placement in employment. In arranging employment for non-English or non-French persons, it is important to obtain accurate information abour their education, training and qualifications; frequently, interpreters are needed for that purpose. In the larger offices, interpreters are designated staff members. In the smaller offices, where it is not always possible to provide such facilities on a full-time basis, efforts are made to obtain an interpreter through liaison with ethnic or other groups in the community.

Over the period 1946-62, about two-thirds of all immigrants came from non-English, non-French speaking countries. Thus a majority of immigrants face an immediate need to learn a language foreign to them. Language and citizenship textbooks in both English and French are made available, free of charge, to local school boards and others conducting immigrant classes. Federal-provincial agreements provide for the sharing of teaching costs for language and citizenship classes. In 1962-63, the federal share of teaching costs and its contribution of free textbooks was valued at approximately $ 300,000. Classes are held in the evenings in virtually every urban centre. In recent years, the Citizenship Branch has been actively working towards the development of classes for special groups of adult immigrants.

Medical and welfare assistance is available to immigrants to help until they are eligible for benefits available from provincial or municipal sources. With the institution of the unemployment assistance agreements with the provinces, as well as the federal-provincial hospitalisation agreements, the need for special forms of assistance has declined. With regard to welfare, the provincial authorities, with the exception of Quebec and Manitoba, accept full responsibility for the welfare of immigrants from the time they are established in employment in the province. For a number of years, the Federal Government has had agreements with all provinces, except Prince Edward Island, New Brunswick, and Quebec, for hospitalisation for indigent immigrants not eligible for such assistance from other sources. These agreements are now confined mainly to hospitalisation not covered under the majority of provincial hospitalisation schemes, for example, care in mental institutions, and sanatoria for the treatment of tuberculosis. The family assistance plan provides benefits to the mothers of immigrant children equal to the benefits under the family allowance system, until they are eligible to receive the latter.

AN EFFICIENTLY FUNCTIONING LABOUR MARKET

A basic aspect of a total manpower policy which ensures that the right kind of labour is available in the right places at the right time, is an efficiently functioning labour market. To the extent that the labour market can be made to function more efficiently, unnecessary unemployment can be reduced with a consequent saving in its cost to the unemployed, to the public purse and to employers whose job vacancies are unfilled because they cannot get the right kind of workers quickly enough. Policies and programmes designed to increase the mobility of workers, in the occupational and industrial sense, through training or adujstment, have been described in a preceding section. This section will outline the extent of labour mobility in Canada and Government programmes to facilitate the physical movement of workers from one job to another.

There are a number of factors inhibiting the functioning of an efficient labour market in Canada. One of the more important is the sheer size of the country. It stretches 3,000 miles from east to west and for practical labour market purposes not much more than 100 miles from north to south. The difficulties and expense involved in providing adequate communication and movement accross an area of this kind are considerable. The problem is increased by the severe winter that prevails during almost half the year. The adequate movement of labour in these conditions is difficult.

A central element in an efficiently functioning labour market is an efficient public employment service. In Canada, the National Employment Service is the major institution for the implementation of this part of manpower policy. As a result of the increasing emphasis on manpower policies, in recent years, the resources and organisation of the National Employment Service have been strengthened. One major development to promote its effective integration with other relevant parts of employment and manpower policies has been a decision of the government to transfer the National Employment Service from the Unemployment Insurance Commission, under which it had operated from the time it was established in 1941, to the Department of Labour. In addition to developing a co-ordinated and integrated approach to manpower and employment policies, the separation of the National Employment Service from the Unemployment Insurance Commission will help to correct the negative image from which the employment service has suffered in the public mind because of its close association with the payment of benefits to the unemployed. At the same time, the capabilities of the National Employment Service will be strengthened by increasing the number and quality of its staff with the aim of improving the service that it offers to workers and employers.

THE NATIONAL EMPLOYMENT SERVICE

The National Employment Service provides a free employment service to employers and employable workers of all categories resident in Canada and without regard to whether such workers are employed, under-employed or unemployed.

As part of its aim of achieving the best possible organisation of the employment market and the best use of manpower, it provides, in addition to what might be termed a regular employment service, special services for special categories of applicants, including young persons who have not become established in industrial life; adults needing training, retraining or further training because of the effects of technological changes or occupational maladjustment; older workers faced with arbitrary barriers to employment because of age alone and competent workers who suffer from physical or other handicaps.

One characteristic shared by workers in these groups is a need for more comprehensive and detailed counselling than can be provided through the regular employment service organisation. Such counselling, according to the need of the applicant, is provided through the Special Services Division of the NES.

In 17 larger offices, testing facilities are available as an in-service counselling tool. In 1963, a decision in principle was taken to install in all NES local offices the General Aptitude Test Battery (GATB), developed originally by the United States Employment Service and distributed to some 66 countries. Work is well under way in the development of Canadian norms.

Service to the growing professional, technical and managerial segment of the labour force is provided by a separate executive and professional division.

Under Convention 88, and the Unemployment Insurance Act and Regulations, the NES is obliged not only to provide an organisation to assist workers to find suitable employment and employers to find suitable workers but also to collect *labour market information* (in the terms of the Act, " information concerning employment for workers and workers seeking employment ") and to make such information available at its offices, with a view to assisting workers to obtain employment for which they are fitted, and assisting employers to obtain workers most suitable to their needs.

The employment service collects and analyses labour market information at local, regional and head office levels, both for purposes of internal management and for public use. In conjunction with the Department of Labour and the Dominion Bureau of Statistics, various statistical data on employment and unemployment arising from local office operations are made available to the public at regular intervals. In addition to regular statistical reports, each local office prepares a narrative summary of employment conditions in its area at the end of each month. These narrative reports are made available to interested government agencies. They are also consolidated into monthly regional summaries which are widely distributed from the regional offices to employers, workers' organisations and other bodies interested in employment conditions.

ORGANISATION

National Employment Service services are provided to the public through a network of some 200 local offices which cover all Canada. For purposes of administration, the country has been divided into five regions each with a regional office. The local offices are responsible to the head office of the service in Ottawa through their respective regional offices.

The boundaries of local office areas are under constant review for the making of whatever changes are needed in the way of opening or closing offices or revising them to meet altered economic conditions or other situations which call for change. This review consists of a study of operating and other statistical information, regular inspections and visits by staff officers from head office or regional offices. Temporary offices are established when needed to meet temporary needs, such as large construction projects, or seasonal needs, such as those of agricultural areas requiring harvest workers.

At headquarters and at regional offices, certain officers specialise by industry groups such as primary industries, manufacturing, construction, trade and service and miscellaneous industries. In addition to promoting the use of the employment service by employers within these industries, the specialists study employment trends, deal with problems of labour supply and demand

and act as advisers to employers and to the local offices on employment conditions and problems of labour supply and demand within the industrial specialisation.

In local offices of sufficient size to warrant specialisation, there are placement sections to deal with applicants for employment within particular occupational groups and with employers of such workers. There is similar specialisation in smaller local offices, but some amalgamation of sections is necessary.

Similarly at head office and regional offices, certain officers specialise in the development and promotion of employment service to workers in need of the special services outlined earlier. Others specialise in the development and promotion of employment service to women workers and to workers in professional and managerial occupations. The officers specialising in service to particular categories or applicants act as advisers to the local offices in their particular field.

PROMOTING THE USE OF SERVICES

At all levels of the organisation, an employer visiting programme is carried on, with officers from head office and regional offices visiting employers whose operations are national or regional in scope, and officers from local offices regularly visiting local employers' establishments in their own areas. Liaison is maintained with workers' and employers' organisations and with other public and private bodies having an interest in or a direct relationship to the work of the employment service. The advertising of the facilities of the NES in press, radio and television is arranged as warranted. In addition to modest amounts of paid advertising, every effort is made to maintain a close working relationship with all information media. Booklets and pamphlets produced at head office are given wide public distribution. Addresses are made to public and other interested bodies and these, combined with many items which are the subject of news interviews and news releases, receive extensive publicity in local and national publications.

AIDS TO MOBILITY

Geographic mobility of labour is facilitated by the NES clearance system, which enables the circulation of employers' orders and workers' applications among local offices according to need either in restricted areas or throughout Canada. The NES is also empowered to make advances on behalf of employers for travelling expenses of applicants to help them to move to places where work has been found for them. Provision is also made for transportation at public expense of workers from areas designated as labour surplus areas by the Minister of Labour. For seasonal harvest workers moving from one part of the country to another, part of the cost of transportation is met by the Government of Canada under the Federal-Provincial Farm Labour Programme.

ADVISORY COMMITTEES

The NES has the advice and assistance of a National Employment Committee, five regional employment committees and 73 local committees. The membership of these committees comprises equal representation of labour and employer organisations supplemented by members of organisations representing women, agriculture, veterans, welfare and education.

Ad hoc committees are also organised in approximately 170 of the local office areas to assist in the annual Winter Employment Campaigns conducted as part of the programme to alleviate seasonal winter unemployment. The composition of these committees is basically the same as the local employment committees, where such exist, with the addition of representatives from municipal governments, press, radio and TV, and churches and other organisations in a position to provide leadership and support for the campaign.

THE EXTENT OF LABOUR MOBILITY IN CANADA

A number of studies have revealed a substantial degree of labour mobility in Canada. Such studies have been based either on unemployment insurance records or on data from the decennial censuses. The emphasis of these studies has been principally on the measurement of the extent of labour mobility and the characteristics of persons who change jobs or their location. As in many others countries, a great deal needs to be learned about the social and economic factors involved in labour mobility in Canada, particularly those tending to hinder mobility. The studies that have been completed or are now in progress on this aspect of mobility are described below.

The findings of studies based on Unemployment Insurance Commission records are useful in providing a measure of *annual* change, which is not possible with the census data. On the other hand, the UIC data covers only about two-thirds of the labour force, and three-quarters of all paid workers[1]. The data measure job changes at yearly intervals and thus, to the extent that people change jobs more than once during a year, they understate labour mobility.

Studies based on the years 1956-1960[2] show a considerable variation in mobility rates. The variations appear to have a negative correlation with unemployment rates, although the relationship is not perfect.

TOTAL MOBILITY RATES AND UNEMPLOYMENT RATES,
CANADA, 1956-1960

	MOBILITY RATE %	UNEMPLOYMENT RATE %
1956-57	54	3.6
1957-58	50	6.2
1958-59	41	6.7
1959-60	45	6.2

The mobility rates shown in this table are the sum of geographic, occupational and industrial, job changes (and various combinations of these) expressed as a percentage of the total possible number of job changes. Over the period as a whole, 74 per cent of all the job changes involved a change in occupation; 47 per cent involved a change in industry; and 20 per cent involved a change in labour market area[1]. Thus, only one job change in five involved a movement from one location to another.

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[1] Excluded are farmers, civil servants, hospital workers, teachers, employers, and wage and salary workers earning in excess of $ 5,460 per year.

[2] H. T. Greenway and G. W. Wheatley, « Regional Aspects of Labour Mobility in Canada, 1956-1959 », *Canadian Political Science Association Conference on Statistics*, 1961
Canadian Statistical Review, Dominion Bureau of Statistics, November 1961, January 1962, February 1962, and April 1962.

Mobility during this period was higher for the younger than the older age groups. Two-thirds of males under 20 years old changed jobs compared with about 38 per cent of those aged 65 and over. Mobility rates for women were lower than the rates for males in each age group ranging from 51 per cent down to 29 per cent. Although total mobility declined with age, job changes involving only occupational shifts *rose* with age, from 30 per cent for those under 20 to 59 per cent for those over 65. Job changes involving only changes in local area rose until the age of 30-34, declined until age 50-54 and then rose again.

Over the years 1956-1960, about one worker in eight changed his industry group each year. Workers in forestry, fishing, construction, storage, trade and the service industries had higher than average rates of total industrial mobility. In 1959-1960, for example, for every 100 persons employed in forestry, 25 moved in from some other industry and 25 moved out.

Mobility between broad occupational groups was quite high, ranging from 25 per cent to 33 per cent. The flows indicate a significantly higher level of occupational mobility at the lower end of the skill range. Thirty-seven per cent of all labourers, for instance, moved into some other occupational group between 1959 and 1960. Thirteen per cent of all labourers entered the manufacturing and mechanical occupations. Five per cent entered construction occupations; 4.6 per cent entered the transportation occupations, etc. There were reverse flows as well (28 per cent of those recorded as labourers in 1960 had been in some other occupational group in the previous year).

The geographic mobility results compiled from the surveys of the UIC population show that unemployment is the major factor contributing to labour mobility. It also shows that mobility rates of all types were higher for the unemployed than for the employed.

MOBILITY RATES FOR THE EMPLOYED AND UNEMPLOYED
CANADA, 1956-1960

TYPE OF JOB CHANGE	EMPLOYED 1957-1959	UNEMPLOYED 1957-1959
Total	54	81
Local Office Area	11	28
Industry	25	63
Occupation	41	58

GEOGRAPHIC MOBILITY PROGRAMMES

The National Employment Service aids in the process of geographical relocation. The National Employment Service provides a " clearance " system whereby employers' orders and workers' applications can be circulated among all offices either throughout Canada and also, if necessary, to the London, England, office. The transfer of persons from one area to employment in another area is also arranged through the National Employment Service. The majority of available jobs that are placed in " clearance " are in the executive, professional and managerial occupations. Clearance also plays a major role in placing university graduates in continuing employment, and in finding jobs for university undergraduates during the summer vacation. During the fiscal year 1962-1963, 71,400 workers moved from one area to another in Canada through the facilities of the NES. Another 800 persons entered Canada from the United Kingdom through the " clearance " process.

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[1] The percentages add up to more than 100 because some job changes involved more than one type of shift.

On behalf of Canadian employers, the National Employment Service advances funds to workers to cover transportation expenses to job sites. The funds advanced are recoverable from the employers. In the two years 1961 to 1963 a total of approximately $ 156,000 was advanced to 2,200 workers.

The National Employment Service is also empowered to pay for the transportation costs of workers, their dependents and household effects from " labour surplus " areas designated from time to time by the Minister of Labour. These expenses are authorised *a*) when the worker is unemployed; *b*) when he has a job to go to; and *c*) when officers of the service are satisfied that he cannot pay his own transportation. In the two years 1961-1963, only 157 workers and their families were assisted in this way. There is also a Federal-Provincial Farm Labour Programme under which agricultural workers are moved, partly at government expense, from one part of the country to another during the harvesting period. Each year the movement of several thousand farm workers is assisted by this programme.

As a result of the increased need for labour mobility, the government has been giving close study to its manpower mobility programme. It is recognised that technological and economic influences operating in the labour market bring ever-increasing changes in local patterns of labour demand and supply. They frequently result in local labour surpluses for which there is no foreseeable demand or local labour shortages for which there is no adequate local supply. The need for government assistance to labour mobility is emphasised by two further factors: *a*) the existence of shortages of workers in particular occupations in an area while a surplus of these categories exists in other areas; and *b*) the existence of shortages of workers in particular occupations in an area while general surpluses of workers exist in that area or in other areas. Lack of financial resources and a variety of social inhibiting factors can render unemployed workers immobile and thereby result in unnecessary unemployment. The improvement of facilities for manpower mobility and relocation is therefore a significant part of an active manpower policy.

The major mobility provision now available in Canada is limited in scope in that it is restricted to the cost of transporting an unemployed worker, his dependents and household effects, from designated areas of exceptionally high unemployment to a location in which he has another job. This programme is also limited in that it is subject to a " means test ", and is available in only a relatively small number of areas and to unemployed workers there who have no financial resources. It is recognised that the costs of adaptation and movement should not be borne entirely by the workers involved. For this reason the government is giving consideration to the provision of more liberal financial incentives to the movement of workers.

Chapter IV

DEVELOPMENT AND INTEGRATION OF POLICIES

Co-ordination of Manpower Policies and Programmes

The attainment of full employment and a high rate of economic growth in the challenging years to come demands a combination of expansionary, fiscal, economic, manpower and employment policies. The basic objective of such policies is to raise the level of effective demand and, at the same time, to facilitate the mobility and adjustment of manpower resources to varying rates of industrial, occupational and geographic employment trends. As the rate of development increases, moreover, a high degree of co-ordination of programmes is required both within these different fields and between them. Co-ordination of the latter kind is achieved through ministerial committees and interdepartmental groups of senior civil servants representing the departments concerned.

The federal Department of Labour has the main responsibility for achieving the integration and co-ordination of manpower and employment policies. This requires, first, co-ordination of specific functions. Mention has been made of the co-ordination of manpower and employment research in Canada. Research on technological change, for example, is co-ordinated through an Advisory Committee on Technological Change representing government, university, management, and unions. The actual research in various parts of the government is carried out under the direction of a Skilled Manpower Research Committee. Research on manpower statistics and the development of manpower statistics is under the direction of an interdepartmental committee within the federal government. From time to time, special research programmes are undertaken jointly by the federal and provincial governments on specific labour problems of provincial and national interest. From 1959 to 1962, the federal Department of Labour carried out joint surveys into unemployment and manpower utilisation with the provincial Departments of Labour in Nova Scotia and New Brunswick[1].

At the provincial level, in co-operation with the federal Department of Labour, research and statistics are co-ordinated by a Committee of the Canadian Association of Administrators of Labour Legislation, which meets twice a year to discuss and make recommendations on the development of new provincial statistical series and the elimination of overlapping surveys. In the field of vocational and technical training, an Advisory Council representing various interested groups meets regularly to discuss and make recommendations on policy in this field.

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[1] *Employment and Manpower Utilization in Nova Scotia, 1950 to 1960*, Department of Labour, Canada, 1963.
Employment and Manpower Utilization in New Brunswick, 1950 to 1960, Department of Labour, Canada, 1963.

The efficient implementation of manpower and employment programmes often requires a high degree of co-ordinated effort by many government and private agencies. Virtually all training programmes in Canada are operated by the provinces, the cost being shared by the federal government by means of training agreements between the Minister of Labour and provincial authorities. In other fields, the transfer of farm labour, the rehabilitation of disadvantaged persons, are also administered under agreements between federal and provincial authorities. The co-ordination of these programmes and the discussion of problems in specific programmes are achieved by regular conferences and informal consultations with provincial government authorities.

MANPOWER RESEARCH

Government research on manpower problems in Canada is carried out largely by the Economics and Research Branch of the Department of Labour. Under the authority of the Department of Labour Act, this agency serves as the central federal agency for economic and social research in the labour field. It carries out a variety of continuing surveys and analyses of labour problems. Apart from this agency, research into manpower and employment problems has been carried out from time to time by special bodies set up for this purpose. One such enquiry was made by the Special Committee of the Senate in 1961[1]. Special employment and labour force studies were made by the Royal Commission on Canada's Economic Prospects[2] and more recently by the Economic Council of Canada[3].

As it is the only agency responsible for continuing research of labour questions, the activities of the Economics and Research Branch necessarily cover a wide field. One of its primary services is the provision of information to the public on matters of general interest in this area. To this end, continuing surveys, analyses, and special projects are undertaken on such subjects as wages, hours and working conditions, union organisation, collective bargaining, employment and unemployment, professional and skilled manpower, career development, training of skilled manpower. Surveys are conducted in co-operation with provincial governments, employers and unions, and with other research, statistical and operational agencies. The results of these activities are made available through regular and special reports[4].

The review and assessment of existing programmes is another aspect of the activities of the Economics and Research Branch. Because the consequences of rises in the level of unemployment can be severe and widespread, the response of public policy must be prompt. Very often, programmes to deal with specific problems have to be devised before the results of research have provided a full range of alternative action. In these circumstances, the early evaluation of the results of programmes in terms of benefits and costs is essential. This type of research has become increasingly important as the range of manpower and employment programmes has broadened. As a result of such an evaluation, for example, it was found that the employment incentives offered under the experimental older worker programme were not fully accomplishing what they were designed to do, and consequently, the programme has been revised to take more fully into account the many causes of unemployment among this group of workers. Similar assessments are now being made of the seasonal unemployment programmes and the vocational and technical training programmes of the government.

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[1] Report of the Special Committee of the Senate of Canada on Manpower and Employment, Ottawa, 1961.

[2] *Skilled and Professional Manpower in Canada, 1945-1965*, Economics and Research Branch, Department of Labour, Canada.

[3] *Population and Labour Force Projections to 1970*, by Frank T. Denton, Yoshiko Kasahara, and Sylvia Ostry, Queen's Printer, Ottawa.

An Analysis of Post-War Unemployment, by Frank T. Denton and Sylvia Ostry, Queen's Printer, Ottawa.

[4] See Bibliography.

The identification of emerging labour problems arises out of the continuing analysis of labour data and the assessment of existing programmes. Regular analysis of labour market conditions, and occupational and industrial data, has revealed many aspects of industrial change, the dimensions of seasonal unemployment, and the future requirements of technical and vocational training in Canada. Short-term forecasts of employment and unemployment are important in the formulation of employment and manpower policies; such forecasts are made regularly by the Branch for use by senior officials. An advisory committee of individuals from management, unions, government, universities and other interested bodies, has advised on a series of investigations which have been carried out since 1957 on the impact of technological change on manpower. These studies, sixteen of which have now been published, have increased the understanding of the kinds of technological change now going on in office and plant and its effect on manpower requirements. They have identified new and expanding occupations, the nature of adjustments to be made by individual workers, and by the institutions of union and management.

Arising from the evaluation of existing programmes and the discovery of new problems are recommendations on new manpower and employment programmes. The conclusions of manpower training research have brought about an upward revision of the estimated requirements of technical and vocational training facilities required. As another example, the Manpower Consultative Service was established as a result of the analysis of the consequences of technological change for employment, and the knowledge that in this area adjustment programmes are likely to be most successful when they are established through the co-operative action of labour and management. Continuing research on seasonal unemployment has played an important part in the establishment of the Winter House-Building Programme and the Municipal Winter Works Incentive Programme. Research on the extent and character of underemployment has led to recommendations to close significant gaps in the government's area development programme.

It is recognised that a further extension of knowledge is needed of the manpower effects of technological change, regional and area unemployment and underemployment, seasonal variations, etc. The studies that have been completed or are now in progress contribute to the general understanding of the problem, but much more needs to be known. The pace of technological and other manpower developments demands that such knowledge be acquired as rapidly as possible.

Appendix

EDUCATION IN CANADA

With certain exceptions, laws relating to formal education in Canada are a provincial, rather than a federal, prerogative. As a result, each province has organised a system of education to meet its own needs and, although they have much in common, no two systems are identical. Quebec and Newfoundland exhibit the greatest divergence from the general pattern, the former because of its French and Roman Catholic background and the latter because of the continuance of a system developed when the province was an independent British colony.

Formal education at the elementary and secondary level is administered by the provincial departments of education which operate under provincial school laws. In addition to administering various grants, the provincial departments, among other things, operate teacher training colleges or arrange for the universities to offer preparatory education courses; issue teacher certificates; issue courses of study for the elementary and secondary schools; prescribe textbooks or lists of books; employ school inspectors or superintendents; conduct end of year examinations; and issue certificates to successful candidates.

Provision for separate schools for Roman Catholics is handled differently in different provinces. In Ontario, Saskatchewan, and Alberta (as well as in the Yukon and Northwest Territories), the first school established in a community is known as the public school, which is open to all children in the community. The school law provides, however, that a religious minority (which in these provinces is usually Roman Catholic) may establish its own school board and school. Such schools are referred to as Separate Schools. Local residents may elect which school they choose to support through taxes, their choice generally being determined by their religion. Both public and separate schools come under the jurisdiction of the provincial Department of Education and both receive provincial grants. In Ontario, but not in the other two provinces, legal provision for separate schools ceases after Grade 10.

In the three Maritime provinces and in Manitoba there is no legal provision for separate schools. However, within the public school systems of these provinces, there are English language, and French language Roman Catholic schools in areas that have large English or French Roman Catholic populations. On the other hand, the public school system of British Columbia makes no provision for any type of denominational schools. Any such schools in this province must operate as parochial or private schools.

In Quebec, public, elementary and secondary schools are controlled by the Roman Catholic and Protestant committees of the Council of Public

Instruction. In this province, Catholic and Protestant school systems exist side by side from the Department down, each relatively independent of the other.

Newfoundland might be said to have a public denominational school system. Each of the five major religious denominations of the province operates its own school under a Superintendent of Education who is responsible to the Deputy Minister of Education.

Within the framework of each provincial jurisdiction and regulation, public education is administered by local education authorities operating under a school Act. The school boards of education are responsible for establishing and maintaining schools, employing qualified teachers, providing pupil transportation where needed and budgeting for the money required to operate the schools, which is raised through local taxation. In 1959, nearly 40 per cent of the total revenue of local school boards was provided by the provinces. Local boards may be elected, appointed, or partly elected and partly appointed. There has been a gradual movement towards enlarging the geographic jurisdiction of school boards in a number of provinces. Larger units have been established by legislation in Alberta and British Columbia and by Acts with provision for local option in Saskatchewan and the Maritime provinces. Southern Ontario has been gradually organising its rural areas into township and county units; Manitoba has recently introduced legislation leading to the formation of larger units of administration for secondary schools; and Protestant Quebec has been essentially organised in these larger units. In Roman Catholic Quebec, secondary education is being consolidated more and more into larger central secondary schools.

School attendance is compulsory in all provinces, but the age at which school leaving is permitted varies between provinces. The age of permissible school leaving has shown a slowly rising tendency over the years, and now varies between 14 years and 16 years of age. Until these ages, virtually all children attend school.

The percentage of children attending school past the compulsory ages has been rising rapidly. The table below shows the increase in the percentage of those aged 14 to 19 who were in school in the last month of the calendar year indicated. The rising trend, in percentages as well as in absolute figures, demonstrates that the strong increase in average levels of education experienced over the past fifty years is continuing at a rapid pace.

PERCENTAGE OF 14-19 AGE GROUP ATTENDING SCHOOL
IN DECEMBER, CANADA, 1960-63

	Males	Females	Both Sexes
1960	66.0	56.9	61.5
1961	69.5	60.3	65.0
1962	71.8	63.6	67.7
1963	71.2	63.3	76.3

Source: Dominion Bureau of Statistics, Labour Force Survey.

Of particular significance in the manpower context is the change in the nature of the education which those in the secondary school system are receiving. As noted elsewhere, facilities for technical and vocational training in Canada were quite limited until the recent expansion programme. In 1952-53 about 8 per cent of the full-time students at the high school level in public institutions were enrolled in technical and vocational courses. In 1963-64, however, about 21 per cent of the enlarged group were enrolled in such courses. More detailed comments on the technical and vocational training programme are included elsewhere.

The jurisdiction of provincial departments of education embraces only the elementary and secondary levels, which provide for the education of youths up to the age of 17 or 18. The organisation as well as the financing of higher education is noticeably different from that of elementary and secondary education. French language universities in Canada are mostly Church-related and have been patterned after those of some European countries. Until recently, they stressed the classics as preparation for the profession but they are changing, and an increasing emphasis is being placed on pure and applied science.

In Eastern Canada, particularly in the Maritime provinces, a variety of small and middle-sized degree-granting colleges and universities exist today. In Western Canada, on the other hand, the policy has been to establish one large provincial university with sole degree-granting powers within the province. This latter pattern is, however, changing in British Columbia.

The financing of higher education in Canada is mixed. The provincial governments provide the main source of funds for colleges and universities, but the federal government makes capital and operating grants available. In 1959, the provinces contributed 44 per cent of all funds; the federal government provided 26.6 per cent; 19.5 per cent was provided by student fees; and 9.9 per cent came from other sources combined. The provision of funds by the provincial and federal governments has enabled universities to hold annual student tuition fees generally in the $ 200-$ 700 range, depending on the institution and the faculty. These fees are not, of course, the only student expenses involved. A survey in the 1961-62 academic year showed that total annual expenditure for single male undergraduates living at home varied between $ 1,060 and $ 1,652; for those not living at home, total expenditure varied between $ 1,406 and $ 2,231. The number of scholarships and bursaries available to help offset these costs is being increased annually.

Full-time university enrolment has been rising rapidly and is expected to continue to increase. In the 1959-60 academic year, approximately 102,000 students were registered full-time in Canadian universities. In the academic year 1962-63, 141,388 students were registered. In 1951-52 about 6.7 per cent of the males and 1.7 per cent of the females in the group were attending college full time. By 1962-63 these percentages had risen to 11.7 per cent and 4.3 per cent for males and females respectively. It is expected that these rising trends will continue strongly for the foreseeable future.

In the next few years the movement of the post-war baby boom into college and the rising demand for college education will create shortages of staff and capital facilities in universities across Canada.

Although formal education at the elementary and secondary levels is the prerogative of the provinces, the federal government is responsible for the education of: Indians on reservations within the provinces; Indians, Eskimos, and whites in the Yukon and Northwest Territories; families of members of the armed services in Canada and overseas; and inmates of the penitentiaries. Teachers in these schools and institutions are members of the Civil Service. They teach under a school law and regulations similar to those in effect in the province concerned and the federal government utilises provincial facilities whenever possible.

Part III

REPORT BY THE EXAMINERS

PREFACE

We were appointed by the Secretary-General of the Organisation for Economic Cooperation and Development to prepare a report on manpower policy in Canada. The investigation was carried out during January 1965, in Ottawa, Quebec City, Montreal and Toronto. Since the assignment had to be completed in one month, it was unfortunately not possible for the Team to visit Provinces other than Ontario and Quebec. However, Mr. George V. Haythorne, Deputy Minister, Federal Department of Labour, enabled us to do the next best thing by inviting us to attend a session of the conference of Provincial Deputy Ministers of Labour and Education held in Ottawa on January 15. We derived great benefit from the illuminating discussion of manpower problems which took place at that conference.

This report is restricted to one or two major aspects of the subject. We were acutely conscious of our inability, in the short time available, to do more than refer briefly to significant matters deserving more extended treatment. The comprehensive report on Canada's manpower trends and policies, prepared by the Federal Department of Labour, provided an instructive starting-point for our investigations. We received generous assistance from civil servants, representatives of business and the trade unions, members of the staff of universities, and experts who have specialised on particular problems. In the course of numerous interviews we acquired a wide knowledge of the relevant facts and the varying opinions relating to policy. For the visiting Team these interviews were an intensive educational course. We wish to express our thanks to all the persons who helped by answering our questions and giving us the benefit of their experience. It was also a piece of good fortune that the first annual report of the Economic Council for Canada, *Economic Goals for Canada to 1970*, was published while we were in Ottawa.

Our report concentrates on three topics — employment policy, the National Employment Service, and technical and vocational training. Chapter II, on employment policy, begins with a sketch of Canadian economic growth since the war and then analyses labour market policy with particular reference to the distinction between structural maladjustment and deficiency of aggregate demand. Chapter III is devoted to an assessment of the role and potentialities of the National Employment Service. We formed the opinion that this federal agency could become an important instrument of an active manpower policy. Chapter IV examines the new programmes recently initiated to ensure adequate technical and vocational training. In the concluding chapter we refer to some special problems, such as area development and the implications of demographic trends. We regret that, in the time at our disposal, we were not able to do justice to the problems of immigration within the context of general manpower policy.

The examiners divided out the field as follows. Professor Brinley Thomas, Head of the Department of Economics, University of Wales, Cardiff, assumed responsibility for the Introduction and for Chapters II and V. M. Marcel Graeve, Administrateur Civil, Direction Générale du Travail et de l'Emploi, Ministry of Labour, Paris, assumed responsibility for Chapter IV; and Mr. Raymond D. Larson, Assistant to the Director, Office of Manpower, Automation and Training, Department of Labor, Washington D.C., assumed responsibility for Chapter I and shared with Professor Thomas the writing of Chapter III. The examiners agree unanimously on the contents of the report. They have acted in their personal capacity, and the organisations of which they are members assume no responsibility for any views which may be expressed in the report.

Among the numerous people to whom we are greatly indebted we feel we must mention Mr. George V. Haythorne, Deputy Minister, and Dr. W. R. Dymond, Assistant Deputy Minister, Department of Labour, Ottawa, and Mr. G. Tremblay, Deputy Minister of Labour, Province of Quebec. Finally, we wish to record our appreciation of the valuable services of Mr. Felix Quinet, of the Industrial Relations Branch of the Department of Labour, who acted as our liaison officer. To him is due most of the credit for the smooth running of our mission and the ease with which the interviews and the clerical and other services were arranged.

Brinley THOMAS
Marcel GRAEVE
Raymond D. LARSON

Ottawa, February 1965.

INTRODUCTION

Before embarking on the subject of manpower and employment policy, it is necessary to indicate briefly some major constitutional facts about Canada.

A federal State, with a population of 19 million, made up of ten provinces and two northern territories, Canada owes its origin to the British North America Act of 1867. The Constitution combines the cabinet system of government inherited from Britain with a form of federalism fashioned to meet Canadian needs. Section 92 of the 1867 Act gives the Legislature of each Province jurisdiction over a wide range of subjects, including direct taxation within the province, the administration of justice, and the management and sale of public lands belonging to the province. Under Section 93, the provinces are given exclusive responsibility for education, subject to certain provisions designed to safeguard the rights of religious minorities. Moreover the Legislatures of the provinces may make laws concerning agriculture and immigration, subject to any legislation passed by the Parliament of Canada on these subjects.

The Federal Legislature consists of an Upper House called the Senate, and the House of Commons. Among the important matters over which the Parliament of Canada has authority are the following : the regulation of trade and commerce, unemployment insurance, the raising of money by any mode or system of taxation, the census and statistics, defence, postal service, currency, banking and the issue of money, naturalisation of aliens, navigation and shipping. The Federal Parliament may make laws relating to immigration and agriculture concurrently with Provincial Legislatures and in these spheres the provinces must yield to federal authority in the event of conflict.

Whereas Canada is one nation in the legal and constitutional sense, she embodies two nations in the cultural sense — English Canadian and French Canadian. The Province of Quebec is actively concerned about the safeguarding of the language and way of life of the French Canadians, and it is not possible to interpret the policies being pursued without taking this fundamental fact fully into account. Inevitably, when there is a minority in such a situation, there are strains and stresses. Eugene A. Forsey has stated the problem fairly and eloquently in the following words:

> " A Canadian Anglo-French partnership was the vision of Cartier and Macdonald. It is not obsolete. In the contemporary world of developing internationalism, it is even more necessary than in the nineteenth century world of triumphant nationalism. For Canadian nationalism can be not a dividing, but a uniting, nationalism... We have to work out some new terms of the Anglo-French partnership in Canada. This will call for mutual respect, mutual understanding, wisdom, justice,

generosity; for patience and skill, tact and forbearance, sympathy and imagination. "[1]

A reappraisal of federal-provincial relations is in progress. The provinces have undertaken considerable responsibilities in fields such as education, health, transport, welfare services, urban renewal, resource development, and over the rapidly increasing programmes of municipalities. In view of the financial implications, it is probable that new means will have to be evolved for the readjustment of fiscal resources between the federal and provincial governments; these problems, which are of basic economic importance, are likely to be given a high priority by Canadian governments over the next few years.

To attain a sense of perspective, it is essential that this constitutional and political background be kept in mind. In considering labour market policy it is to be noted that immigration, unemployment insurance, and the national employment service come under federal control, while education and vocational training are matters for the provinces, with increasing resort to federal-provincial financial agreements. We must recognise at the outset that the pursuit of an active manpower policy in Canada is necessarily subject to the constraints inherent in the federal structure of the country.

The two outstanding facts about Canada's external relations are that she is a member of the British Commonwealth of Nations and that she has a close economic nexus with the United States. As Head of the Commonwealth, the Queen symbolises the association of the member countries; in the words of the Balfour Report, as " autonomous communities in no way subordinate one to another in any aspect of their domestic or external affairs ". As a member of the Commonwealth, Canada participates in the system of trade preferences based on the Ottawa agreements of 1932.

The strong economic ties with her neighbour are shown by the fact that in 1963 the United States took 56 per cent of Canada's exports and supplied 67 per cent of her imports. Thus the Canadian economy is highly sensitive to fluctuations in economic activity in the United States.

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1. Eugene A. Forsey, « Canada : Two Nations or One? », *The Canadian Journal of Economics and Political Science*, XXXVIII, 4th November, 1962, p. 501.

Chapter I

A GENERAL SURVEY

In order to determine how labour market practices and policies might be strengthened, it is necessary to appreciate the role played by a wide variety of private as well as public agencies in this broad field. We shall thus begin with a brief survey of Canada's main instruments for dealing with manpower as they function at the present time. It is important to bear in mind that government agencies, federal, provincial, and local, comprise only a minor part of the total manpower picture. The bulk of placement activity and the movement of workers from job to job and from community to community occur without any government intervention. Most placements in Canada are direct transactions between individual workers and employers. Moreover, when workers change jobs or move to other communities within Canada, it is nearly always at the initiative and expense of the individual. Improving the quality of employed workers through training has also been mainly the responsibility of employers and individual workers. Members of nearly all professional occupations usually make their own arrangements with private employers about getting jobs, transferring to other areas, upgrading, training and education.

Clearly, therefore, any consideration of manpower policy must begin with an appreciation of the leading role played by Canada's employers. Most workers are hired directly by employers, much industrial training is in their hands, and to a considerable extent they are involved in transferring workers from one part of Canada to another. Some employers also engage in recruiting high-level workers from outside the country.

Among other non-governmental groups playing an active role in the Canadian labour market are trade unions, professional associations, colleges and universities, and private employment agencies. Trade union placement activity is confined to a few industries, such as construction and docks. Trade unions also participate in apprenticeship and upgrading training programmes.

Professional societies perform a variety of services designed to help their members find employment opportunities. At their conventions, for example, they facilitate communication between their members and employees. Universities and colleges have developed various means of helping their graduates to secure appointments, and some assist those who drop out before graduation. Canadian universities are going through a period of rapid expansion, and they take a keen interest in sources of recruitment of new staff as well as in the market for their graduates.

Private employment agencies are particularly active in placing white-collar and service workers. The Team was told that, while private agencies are expanding their activities, their importance in Canada is not as great as that of their counterparts in the United States.

Although the activities of the above groups are not as extensive as those of private employers, they figure prominently in certain segments of the labour market. For this reason it is essential that policy-makers in the public sector should have a close understanding of the working of these private agencies.

We shall now consider briefly the functions of governmental bodies in regard to manpower and employment policy. Canada has a federal system of government, and decisions relating to manpower programmes are made at both the federal and provincial levels. In considering previous OECD reports on manpower, the examining Team could not fail to realise that the institutions in Canada have much more in common with those of the United States than with those of Sweden.

The federal Department of Labour occupies a key position, particularly as it administers federal-provincial agreements which have considerable influence on the development of policy. The National Employment Service, established in 1941 as part of the organisation set up to administer unemployment insurance, is a federal network providing a variety of services to both employed and unemployed workers. The functions which it performs and the contribution which it might make to an active manpower policy are discussed in Chapter III.

The federal Department of Labour has an Economics and Research Branch which specialises in the analysis of problems relating to wages, hours of work, labour standards, trade union organisation, trends in employment and unemployment, industrial accidents, labour mobility, and related subjects. In addition to periodic surveys and reports, the Branch conducts special studies of the more pressing problems facing the policy-makers. It co-operates with provincial agencies and promotes work on special projects by specialists in the universities. As examples of research studies of outstanding interest we may mention *Occupational Trends in Canada, 1931-1961; Employment Outlook for Professional Personnel in Scientific and Technical Fields, 1962-1964; Engineering and Scientific Manpower Resources in Canada: Their Earnings, Employment and Education, 1959; The Migration of Professional Workers into and out of Canada, 1946-1960;* and *Skilled and Professional Manpower in Canada, 1945-1965.*

Investigations into changing manpower requirements of industry are carried out in the Research Branch under the direction of an Interdepartmental Committee, guided by an Advisory Committee on Technological Change, on which labour, management, research institutes and universities are represented. This Branch has established a reputation for the high quality of its output, and its influence is widely felt.

It is the responsibility of the Special Services Branch of the Department of Labour to administer the Winter Housebuilding Incentive Programme, the Municipal Winter Works Incentive Programme, and the Federal-Provincial Farm Labour Programme. Established in 1954, the Women's Bureau has grown into an enterprising and expanding agency, reflecting the increasing significance of women in Canada's labour force. Among other things, it concerns itself with the encouragement of occupational competence among women, the improvement of working conditions, and the study of trends in female employment. Other activities organised by the Department of Labour are those designed to improve the employability of handicapped and elderly workers. Administered by the Civilian Rehabilitation Branch, these programmes have shown a marked expansion in recent years. The Department is also giving increasing attention to the many complex issues in the sphere of industrial relations, where there is abundant scope for research which can prove most rewarding.

In recent years Canada has invested heavily in a broadly-based programme of vocational and industrial training, organised by the Department of Labour through its Vocational Training Branch. Chapter IV of this report is devoted to a detailed examination of this subject. The Department of Forestry has a programme for resettling surplus farm workers, and the Department of Industry administers a scheme designed to attract industry to " designated areas " suffering from persistent unemployment.

Another important federal authority which is concerned with manpower is in the Department of Citizenship and Immigration. Its Immigration Branch administers the Immigration Act and Regulations. Examination of immigrants and visitors is carried out at 552 ports of entry on the Canadian coasts, at points of entry along the International Boundary, and at certain airports. The general aim of the Government of Canada since the end of the second World War has been to promote selective immigration; in the period 1946-1963, the gross inflow of immigrants was nearly 2 $^1/_4$ million. There is no need to emphasize the impact which this has had on the working force.

It was not possible for the authors of this report, in the short time at their disposal, to take into account the particular manpower policies carried out in each province. Since the provincial governments are responsible for education and training, this aspect of their activity is dealt with in Chapter IV. The fact that not much space is devoted to the provinces must not be taken to imply that we are unaware of the vital problems which they are facing and the energy and enterprise which they are showing in tackling them. In a country with such variety as Canada, it is often dangerous to generalise. What this report tries to do is to concentrate on one or two fundamental issues of manpower policy in which every province has a vital interest.

Chapter II

EMPLOYMENT POLICY

The revulsion against the mass unemployment of the 1930s and the triumph of the Keynesian revolution in economic ideas had a strong influence in Canada as in other countries. The view that the government should assume responsibility for maintaining a high level of employment was embodied in a White Paper on Employment and Income published in 1945.

> " ... The Government has stated unequivocally its adoption of a high and stable level of employment and income, and thereby higher standards of living, as a major aim of government policy. It has been made clear that, if it is to be achieved, the endeavour to achieve it must pervade all government economic policy. It must be wholeheartedly accepted by all economic groups and organisations as a great national objective, transcending in importance all sectional and group interests. "[1]

In recent years a declaration of intent on similar lines has been made on an international basis by the Member states of OECD, with an economic growth target of 50 per cent being set for the decade 1960-1970; and the Council of Ministers of OECD has approved a statement of principles which should govern manpower policy as a major means of reaching the target.

1. Post-War Growth in North America

The extent to which Canada has been able to maintain a high level of employment in the last twenty years has been uneven. In the immediate post-war years, 1946-53, the average rate of unemployment was 2.8 per cent; in 1954-57 it rose to 4.3 per cent; and in 1958-62 it was 6.7 per cent. In 1962 Canada had a higher unemployment rate than the United States (both being nearly 6 per cent), whereas the rate in the United Kingdom was just under 3 per cent and in France and Sweden under 2 per cent[2].

The performance of the Canadian economy between 1946 and 1963 may be summarised as follows: total real output doubled; real output per head of the population went up by about 30 per cent; real output per person employed rose by about 50 per cent; and real output per man-hour increased by nearly 70 per cent. The rate of growth has varied considerably in the course of this period, and the phasing corresponded closely to what was happening in the United States. The turning-points of business cycles have with very few exceptions been the same in the two countries.

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[1] *Employment and Income with Special Reference to the Initial Period of Reconstruction*, Ottawa, King's Printer, 1945.

[2] It must be recognised, however, that these unemployment percentages are not strictly comparable.

In an important sense Canada, in population one-tenth of the size of the United States, may be regarded as a part of the North American economy. One or two striking facts may be noted as illustrations of this. In the 1950s there was a substantial increase in American private foreign investment. In 1959 the aggregate value of the stock of United States direct investments abroad was $ 29,735 million, of which $ 10,423 million, or 35 per cent, was in petroleum. Of the total United States direct investment in manufacturing abroad, no less than 47 per cent was located in Canada; and 24 per cent of United States direct investment in petroleum abroad was in Canada. It is estimated that about 60 per cent of the manufacturing output of Canada is produced by branches and subsidiaries of American companies. Moreover, in 1963 the United States took 56 per cent of Canada's exports and supplied 67 per cent of her imports: in 1926 the corresponding proportions were 36 per cent and 66 per cent respectively. Since the 1920s there has been a strong secular increase in the relative importance of the American market for Canadian exports.

A glance at the phases in post-war growth will indicate how closely the Canadian economy has swung in unison with the American economy. It is necessary to distinguish between short cycles and long swings (or trend cycles) in economic development. The latter are alternating phases of upsurge and retardation in the build-up of durable capital. The span of such long swings is about 15 to 20 years from peak to peak. The United States was in an upward phase from 1946 to about 1955-57; this was followed by retardation between 1957 and 1961-62; and the strong upswing since 1961 seems to indicate an upward phase of a new long swing. In real terms, investment in plant and equipment in manufacturing and public utilities in the United States rose by 53 per cent between 1947 and 1957, in durable goods manufacturing by 57 per cent and in public utilities by 146 per cent. In the retardation phase,1957-62, real expenditures on plant and equipment in manufacturing and public utilities fell by 15 per cent. In the years 1956-61 real consumer expenditures on automobiles and parts averaged 16 per cent below the previous peak. The gross national product in constant dollars showed an average annual increase of 2.3 per cent between 1955 and 1962, as against an average annual increase of 4.2 per cent between 1947 and 1957[1]. The American upswing, which began in 1961, showed no signs of slackening even after four years, and by 1964 the gross national product was $ 623 billion as compared with $ 518 billion in 1961.

Canada has experienced the same phases as the United States[2] and it is important to bear this in mind in considering policy measures. Between 1949 and 1957 business gross capital formation (residential and non-residential construction together with new machinery and equipment) in constant dollars rose from $ 3,032 million to $ 5,084 million, or by 68 per cent. Then came the downward phase, with a decline in this item from $ 5,084 million in 1957 to $ 4,286 million in 1960.

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1. For a detailed account see Edward M. Bernstein, « The Postwar Trend Cycle in the United States », *Quarterly Review*, Model Roland & Co., New York, First Quarter, 1963, pp. 1-10.

2. On long swings in Canadian economic growth see Kenneth Buckley « Population Labour Force and Economic Growth ». Vol. 2 of *Banff Business Policies Conference on Canadian Economic Survival*, September 1963 (mimeographed), Banff School of Advanced Management, Banff, Alberta, and D. J. Daly, « Long Cycles and Recent Canadian Experience » (mimeographed) Ottawa, 1963.

The upswing phase which began in 1961 again shows Canada to be in line with the United States. The index of industrial production registered an advance of about 30 per cent in both countries from the cyclical low point at the beginning of 1961 to the middle of 1964. In terms of the gross national product, expansion was more vigorous in Canada than in the United States. " From the first quarter of 1961, seasonally adjusted Gross National Product in Canada had risen about 27 per cent by the second quarter of 1964 compared with about 23 per cent in the United States... In both countries the rise in Gross National Product has been based on an increase in final sales; stock-building has made only a small contribution to the upswing in economic activity. In both countries the expansion has been broadly based, with all the major components of final demand — consumer spending, business investment in plant and equipment, government expenditure for goods and services, exports and, until recently, outlays for housing — adding significantly to the demand for output. "[1]

Unlike the United States, Canada is highly dependent on international trade and very sensitive to outside changes. Merchandise exports account for about 50 per cent of the output of her goods-producing industries, while imports comprise about 50 per cent of the expenditure on goods. It is usual for Canada to have a fairly large deficit in her current account with the United States, and the inflows of American capital are not enough to cover it. The payments surplus with the United Kingdom and other sterling area countries has tended to decline; but the expansion of exports to other overseas countries together with Canadian gold production have provided the means to finance the deficit with the United States and the United Kingdom, which showed only a moderate rate of expansion in the last decade.

2. THE COURSE OF UNEMPLOYMENT

During the first post-war phase of expansion and up to about 1956, Canada did not have a serious unemployment problem. The average annual rate for the country as a whole ranged between 2.6 per cent (in 1947) and 4.6 per cent (in 1954), and one could argue that this level of unemployment was almost entirely a compound of unavoidable frictional, seasonal and cyclical elements. Nor was there much difference between the rates for the various regions, except for the Atlantic Provinces. One ugly feature which began to emerge in this period was the rate of unemployment among males aged 14-19 which averaged 8.5 per cent over the years 1949-57. However, during the stagnation phase, 1958-61, the situation changed. Unemployment for the country as a whole averaged 6.8 per cent and for the males aged 14-19 it was as high as 16.0 per cent and for males aged 20-24, 11.7 per cent. Moreover a striking regional variation appeared. In the years 1958-61, the Atlantic region had an unemployment rate varying between 10.6 and 12.5 per cent and Quebec between 7.9 and 9.2 per cent. In the upswing phase since 1961 the unemployment rate for Canada fell to 5.5 per cent in 1963 and to below 5.0 per cent in 1964. It is too early yet to estimate what the full impact of this recovery will be on the incidence by age group, region and duration of unemployment.

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[1] « Recent Economic Developments in Canada and the United States », *Canadian Statistical Review*, Vol. XXXIX, No. 11, November 1964, p. 1.

3. STRUCTURAL MALADJUSTMENT OR DEMAND DEFICIENCY?

Such was the buoyancy of the Canadian economy in the period 1947-57 that employment policy did not become a serious issue until the retardation phase which began in 1958. During the long upswing which the United States and Canada enjoyed up to 1957, Western Europe was recovering from the ravages of the war, aided by a massive flow of government loans and grants from North America. This was the era of dollar scarcity when the United States could pursue any internal policy without regard for side-effects on her balance of payments.

The second half of the 1950s saw a remarkable resurgence in Western Europe which raised productive capacity and competitive power by substantial amounts. From 1957 on there was a slackening of growth in North America, coinciding with the upsurge in Europe; and a growing deficit appeared in the balance of payments of the United States.

The change in the relative competitive power of North America and Europe brought serious problems for Canada. The outlook for the level of employment in 1958 was rather depressing. In that year average unemployment in the country as a whole was over 7 per cent, and in the Atlantic region it was as high as 12.5 per cent. Industrialists who had become accustomed to conditions of vigorous expansion were tending to become pessimistic about the future. Following on the long upswing of 1947-57, a phase of slower growth was to be expected; and it was necessary to take measures to mitigate the effect on the level of unemployment. It was unfortunate for Canada that in the years 1958-61 there was a conflict between two basic objectives — the need to reduce what was held to be the threat of inflation[1] and the need to reduce unemployment.

In the circumstances of that time the restrictive measures introduced to achieve the former objective were bound to make it very difficult to achieve the latter. Unemployment in Canada persisted at nearly 7 per cent and in the Atlantic region at over 11 per cent between 1958 and 1961; selective manpower policies operating on the imbalances on the supply side of the labour market could not hope for much success when the general level of demand for labour remained depressed. In that bleak economic climate it was hard even for sensible measures to counter Canada's extreme seasonal unemployment to find acceptance.

It was no coincidence that the preoccupation with the problem of structural unemployment began in those years when aggregate demand was at a lower level than it need have been. It was argued that the real problem was to be found in the defective functioning of the labour market, with hard cores of unemployment co-existing with unsatisfied demands for certain types of labour. There has been much empirical research on this subject in North America in recent years[1] and the Economic and Research Branch of the Canadian Department of Labour has published a number of valuable studies indicating that structural changes call for specific labour market policies. In a recent paper Pierre-Paul Proulx reaches the conclusion that there has been no material increase in structural unemployment in Canada since 1946[2]. In order to draw the right inference from this result, it is important to note the following quotation:

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[1] The following declarations by the then Governor of the Bank of Canada speak for themselves : « The idea that readiness to create or tolerate inflation can make a useful contribution to the problem of maintaining a high and expanding level of employment and output, is in danger of becoming the great economic fallacy of the day. In the end inflation creates more unemployment than it temporarily cures; it badly hurts many who have no way of protecting themselves against it; it discourages economic efficiency and lowers productivity; it is the great destroyer of economic order and social stability. »

Bank of Canada Annual Report of the Governor to the Minister of Finance for the year 1958, p. 10.

« ...I am convinced that to engage in further large overall monetary expansion in an attempt to drive down interest rates generally, with or without the motive of thereby reducing the inflow of capital from abroad, is an unsound and dangerous approach and would prove to be an ineffective approach to the problems of exchange rate, of the recession, and of achieving more consistent economic growth. »

Bank of Canada Annual Report of the Governor to the Minister of Finance for the year 1960, p. 22.

> " Some analysts have suggested a need for an expanded use of selective policies on the basis of the very high unemployment rates recently witnessed in the Atlantic and Quebec regions, in the 14-19 age group, etc. Their conclusions would only follow if greater concentrations of unemployment occurred in the disadvantaged group *at identically high overall unemployment rates*, since the regions, industries, etc. with higher than average unemployment rates are those which experience the most rapid decline in unemployment as the national unemployment rate declines, for whatever reason. Similarly, now that the national unemployment rate is declining, fears are being expressed that shortages of manpower will occur in the Prairies or in Ontario, in certain occupations, etc., and on these grounds arguments are being made that the policy mix to deal with unemployment should be made *more* selective. It is implied that the occurrence of manpower shortages would provide a new reason for adopting more selective policies. This conclusion does not follow unless it is established that there now exists a likelihood that *greater* shortages of manpower will occur, at low national levels of unemployment, because manpower shortages have always occurred at low national unemployment rates. It would not follow from a finding that the regional composition of unemployment is unchanged that the relative emphasis to put on non-selective versus selective policies should remain unchanged, because there are, as we have pointed out earlier, other issues involved in this choice. "[3]

There is nothing in this study which would justify the conclusion that an active manpower policy is unnecessary. What it suggests is that there has been no *increase* in structural unemployment. What it cannot deny is that the *amount* of structural unemployment in Canada is a challenging problem. The real contribution of this controversy has been to stress the fact that in the circumstances of 1958-62 the emphasis on structural problems unfortunately served to distract attention from the failure of the Canadian authorities to apply the major remedy which was sorely needed at that time, namely, an expansion of aggregate demand. It also underlines the vital principle that manpower policy must be conceived not at as a separate exercise by departments specialising in labour, but as part of an integrated programme.

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[1] See Robert M. Solow, *The Nature and Sources of Unemployment in the United States*, Wicksell Lectures 1964, Almquist & Wicksell, Stockholm, 1964.

[2] Pierre-Paul Proulx, « The Composition of Unemployment in Canada », *Employment, Unemployment and Manpower*, 15th Annual Conference, Mc Gill University Industrial Relations Centre, June 1964, pp. 36-54.

[3] Pierre-Paul Proulx, *Op. cit.*. pp. 39-40.

4. LABOUR MARKET POLICY AND ECONOMIC GROWTH

In our discussions with representatives of government, employers and labour, we found a strong emphasis on the need for relating manpower and employment policy to the requirements of long-term growth. Those who spoke for the trade unions were critical of what they regarded as a failure to develop a concerted programme; they contended, for example, that little has been done to forecast future demands for different types of skill, and they deplored the lack of liaison between the Immigration Service and the National Employment Service. Other commentators pointed out that, in giving increasing financial assistance to the provinces for the purpose of vocational training, the federal government does not pay sufficient attention to the cost-benefit aspects of these programmes.

In order to assess the validity of these views, it is necessary to indicate the contribution which different kinds of planning can be expected to make to the promotion of economic growth. Recent research on the sources of economic development has made it abundantly clear that investment in human capital is quantitatively much more significant than investment in physical capital. In his analysis of real national income in the United States between 1928 and 1957, Edward F. Denison found that 68 per cent of the increase was to be attributed to additional inputs of productive factors and 32 per cent to additional output per unit of input. In the breakdown of the 68 per cent, 54 points represent increased labour inputs, and these are then attributable as follows: 27 points to a rise in total hours worked, *23 points to increased education of the labour force* and 4 points to better use of female labour. Of the 32 per cent due to additional output per unit of input, *20 points are assigned to increase in knowledge* and 11 points to economies of scale[1].

It is clear that an effective policy for economic growth must concentrate on improvements in the quality of the labour force, the growth of knowledge, and the removal of inadequacies in the working of labour markets. The private enterprise system left to itself cannot fulfil these conditions. Professor Harry G. Johnson puts the matter in a nutshell as follows:

> " A second element in a policy designed to promote economic growth would be a series of measures designed to increase the efficiency of the market system, particularly by improving the mobility of labour between regions and between occupations. Fundamentally, this part of the policy would call for deepseated reforms of the educational system; but there is scope for a substantial gain in efficiency through programmes for the retraining and relocation of labour, programmes that would be socially profitable (viewed as an investment in increasing productive capacity) but are not undertaken privately largely owing to the institutional difficulties of borrowing and lending on the security of human capital. "[2]

In considering the background for an active manpower policy in relation to economic growth in Canada, we were impressed by the following points.

In the first place, the geographical configuration of the country, with vast distances separating the provinces from east to west, entails special difficulties in regard to mobility and redeployment of labour.

Secondly, figures for 1961 reveal that over one million of the adult popugovernment agencies seek to deflect to the winter months various construction, maintenance and repair activities. Under the Winter Works Incentive Programme, more work was carried out by the municipalities in the six winter months of 1963-64 than had been done over a longer period of 7 ½ months in earlier years of the programme, and much more than before the programme began in the winter of 1958-59.

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[1] Edward F. Denison, *The Sources of Economic Growth in the United States*, Committee for Economic Development, Supplementary Paper No. 13, Washington, January 1962.

[2] Harry G. Johnson, *The Canadian Quandary*, McGraw Hill, Toronto, 1963, p. 62.

Striking results have been achieved by the Winter House Building Programme introduced in 1963. The Government devoted $ 14 million to the payment of $ 500 bonuses to winter housing purchasers. This had a potent effect on the timing of an aggregate capital expenditure of $ 500 million on housing in the economy as a whole; this entailed an equivalent influence on the timing of about 90,000 on-site jobs and 115,000 off-site jobs, or a total of 205,000 jobs for the four months of the programme. For a modest outlay of public funds per man employed, this project succeeded in bringing about a substantial reduction in winter unemployment.

By the beginning of 1965 Canada had experienced a substantial upswing and aggregate demand was still rising. In such a phase it is necessary that the emphasis of employment policy should be on the requirements of stable growth. As the average unemployment rate falls, there is a tendency for " bottlenecks " to appear in certain sectors of the labour market. The relative price of the most scarce types of labour rises, and wage differentials widen. In areas where demand is most intense, the phenomenon of " wage drift " is likely to appear. In such a phase less emphasis should be placed on some of the manpower policies, e.g. to tackle seasonal unemployment, which were promoted during the years of high unemployment. In the latter period the selective manpower measures were of paramount significance because the level of aggregate demand was unduly low: in a strong upswing the accent of labour market policy must be on means of preventing the boom from becoming too intense. Every effort must be made to reconcile the objectives of full employment and stable prices.

This shift of emphasis entails giving greater attention to productivity rates, both national and regional. An important indicator is the rate of advance of total wages per man-hour. It might be argued that such estimates on a national basis are not operationally meaningful. Even so, there can be no doubt about the need to observe what is happening in different sectors. An active manpower policy cannot be carried out unless the authorities are equipped with reliable statistical indicators for different industries. In industries where productivity is rising at the same rate as in the economy as a whole, it is desirable that prices should be stable; it is consistent that prices should rise in industries where productivity is lagging behind the national average and should fall in industries where productivity is rising faster than the national average. If manpower policies are judged within such a context, they are likely to contribute towards stable growth.

Furthermore, it is desirable to promote measures designed to ensure that the relatively scarce grades of manpower are used economically. These should apply to the public as well as the private sector. For example, stable growth requires that certain types of government expenditure on public construction should be kept in hand for use in times of short cyclical setbacks. This necessitates co-ordination between the various government departments and public corporations concerned, so that appropriate decisions can be made in advance concerning the time-shape of public investment and the implied demands for different types of labour.

lation have only four years of schooling or less. About 575,000 of these are males, over 400,000 of whom are between 16 and 64 years of age and about 140,000 are between 15 and 39.[1]

The Senate Survey in 1961 revealed that " ... out of about 225,500 male registrants for employment at National Employment Service offices across Canada last September, an estimated 55 per cent did not have even one year of secondary school education and 28 per cent had failed even to complete primary school... The record of female registrants was somewhat better, but even here more than a third of the total had failed to progress beyond primary school... As part of the Senate Survey, respondents were asked whether or not they were ' technically trained or qualified for some trade or special occupation '... Over 70 per cent reported that they were not fully trained in any way... The proportions for young people were much higher. About 94 per cent of the men and 82 per cent of the women registrants under twenty years of age considered that they were not completely trained. This, together with the fact that many of these young people were further handicapped by inadequate general education, is at the same time revealing and disturbing. "[2]

Thirdly, the population " bulge " in Canada is one of dramatic proportions, a consequence of the " baby boom " after the war together with heavy immigration. The number of people aged 20 to 24 in the working population is expected to rise by 33 per cent between 1965 and 1970, and by 57 per cent over the decade as a whole. In the 1950s the number of males aged 20-24 increased by only 25,000: in the 1960s the increase in this age group will be 270,000. The average *annual* increase in this age group in the 1960s will be more than the entire *decennial* expansion in the 1950s.

Fourthly, Canada has been heavily dependent on immigration for its supply of skilled and professional manpower. During the first 10 post-war years the number of skilled workers increased by 280,000; the contribution made to this supply by immigration, after allowing for emigration, was 110,000 or nearly 40 per cent. During the same period the total number of professional workers went up by 94,000; of this number gross immigration contributed no less than 47,000, but it is estimated that 31,000 of these emigrated to the United States.[3] The proportion of her professional and skilled labour requirements which Canada will be able to recruit through immigration will be much less in the future, and a major re-adjustment in thinking and planning has taken place in the last five years.

The instructive work done by the Economics and Research Branch of the federal Department of Labour has paved the way for an understanding of the critical points where attention should be concentrated in formulating an active manpower policy. The measures designed to cope with supply imbalances were a welcome offset to the restrictive effect of fiscal and monetary policy on demand. The attack on seasonal unemployment is a case in point. A great deal has been done in Canada to induce consumers to carry out expenditures in the winter months rather than wait until the spring. Furthermore,

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[1] Gil Schonning, *Economic and Technological Change in the Sixties: Its Implications for the Policies and Programs of Canadian Labour Departments*, paper read at Canadian Association of Administrators of Labour Legislation, 23rd Conference, Stanhope, Prince Edward Island, September 1-4, 1964, p. 12.

[2] *Report of the Special Committee of the Senate on Manpower and Employment*, 4th Session 24th Parliament, 9-10 Elizabeth II, 1960-61, p. 62.

[3] *Skilled and Professional Manpower in Canada*, 1945-1965, Royal Commission on Canada's Economic Prospects, July 1957, pp. 64-67.

Chapter III

THE NATIONAL EMPLOYMENT SERVICE

An efficient national employment service, with as high a coverage as possible, is vitally necessary to the operation of a manpower policy. In view of the importance which we attach to this subject and the close bearing it has on the prospects for an active manpower policy in Canada, we decided to devote a separate chapter to it.

In Canada the placement function is performed by the National Employment Service (NES), a federal agency with over 200 offices forming a network reaching out to all parts of the country. Considering the difficult labour market problems which Canada faces in the future, the visiting team were particularly interested in the views expressed by various bodies concerning the performance, status and potential of the National Employment Service.

1. PRESENT SCOPE

An indication of the present scale of operations is given by the following figures.[1] In 1963-4 the total number of NES placements was 1,187,158 and the distribution by region was as follows: Atlantic, 84,816; Quebec, 348,395; Ontario, 405,832; Prairie, 204,882; Pacific, 143,233. The distribution by industry shows construction and agriculture as prominent users of the service. The number of placements were as follows: construction, 132,113; agriculture, 121,069; transportation, storage and communications, 67,094; logging, 33,690; and mining, 10,192. Organised movements of farm workers are carried out, partly under Federal-Provincial Agreements, and partly under reciprocal arrangements with the United States Employment Service. The head office staff of NES has undertaken a nationwide visiting programme covering 550 firms operating in more than one region and employing more than one million workers in the aggregate. Employers in finance, insurance and real estate hired 17,618 workers through the NES in the year under review. In general it is clear that the main demand for the service is to meet requirements for unskilled or semi-skilled workers. An indication of the degree of coverage is given by the ratio of NES placements to total hirings by employers (the penetration ratio); this is estimated as 28 per cent. We were informed by some experts that this is probably an over-estimate.

Emphasis is placed on the counselling process in dealing with special services applicants. " Young persons entering the labour market, workers re-entering the labour market, competent applicants who suffer from physical handicaps, older persons, persons with personal problems, those wishing to undertake training courses, war veterans and long-term ex-servicemen, and other similar categories of workers require employment counselling prior to approaching the labour market. Special services counselling involves the study of educational and training background, employment experience, physical background, and test results to determine the most suitable occupational classification for the applicant ".[1] Careful attention is given to the choice of officers responsible for carrying out these tasks. Training is carried out in area schools held from time to time across the country, and they deal with the broad fields of vocational rehabilitation, vocational counselling and testing. The total number of full-time special services posts in 1963-4 was 384 in 152 of the 200 NES offices. In that year a total of 236,762 employment counselling interviews for new entries into the labour market were held. The Analysis and Development Division has important functions in regard to the analysis of employment service operations, the development of operating procedures and techniques, and the collection of data on employees' hirings and separations.

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[1] See *Unemployment Insurance Commission 23rd Annual Report for the year ending 31st March, 1964.* Ottawa, August, 1964 pp. 4-10.

2. INTENDED FUNCTIONS, 1938

The visiting Team was frequently told that the National Employment Service has not developed to the extent called for by the needs of the Canadian economy. In order to arrive at a balanced judgment, we found it necessary to glance at the origin and evolution of the service. The Canadian Government first entered the field with the passage of the Employment Offices Co-ordination Act of 1918, administered through the federal Department of Labour and its Employment Service Branch. There were local offices in 67 cities and two clearing-houses for the transfer of labour. At the end of 1930 the staff consisted of 32 federal and 241 provincial employees, and placements were nearly all in the fields of agriculture, logging, construction and domestic service. At this stage there was divided responsibility and very little support for effective expansion.

In 1938 the National Employment Commission (known as the Purvis Commission) recommended urgent and far-reaching changes. " The Commission wishes to emphasize the urgency for action. It recommends that the Service be placed immediately under the direction of the Dominion Government both as to controlling principles and broad policies, but with provision for the appointment of strong regional directors, and regional advisory councils, to whom certain decentralized powers would be given, so as to ensure adequate weight being accorded, and attention being paid, to the problems peculiar to particular regions. "[2]

The Commission then laid down the following list of the functions which it deemed to be essential to an efficient employment service.

> " An efficient employment service should collect and provide necessary statistical information on which broad planning to meet present and future labour requirements of industry and agriculture can be based. It should be a repository for accurate information on *i)* the labour demands of industry and *ii)* the available supply of employable workers.

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[1] Ibid. p. 11.
[2] *Report of the National Employment Commission,* 1938, p. 16.

" It should procure reliable data on the qualifications, ability, experience, and general fitness of each worker.

" It should link up with the school, on the one hand, and the employer on the other, providing the young man or woman, boy or girl, who has completed his or her education, with some degree of vocational guidance.

" It should devise and operate for thousands of workers, systems whereby these workers may be registered, classified accurately, referred to suitable employment and kept informed of basic changes affecting their trades and professions.

" It should develop sympathetic co-operation among the public. Prejudice against or distrust of the Employment Service, sometimes found among employers, must be overcome. A modernised service will in itself be the greatest instrument in overcoming this. The wise, pertinent and persistent use of publicity should also be an effective weapon in this effort.

" It should go even farther than those men and women workers now in the employable category. Its ingenuity and enterprise should be utilised in an effort to include among the employables, many of those now on the borderline. This may be possible either through retraining or such treatment as may be necessary to restore physical fitness.

" It should look into the future, be, as it were, the advance agent for labour requirements.

" With the data at its command, it should be able to advise on suitable training projects for youth and retraining for displaced workers. "[1]

Here, in this 1938 Report, were the blue-prints for a well-conceived and vigorous national network of employment offices. In 1940 legislation to establish unemployment insurance was passed (The Unemployment Insurance Act), under which the Unemployment Insurance Commission, composed of three Commissioners representing government, labour and management, was made responsible for administering a National Employment Service. This crucial decision was to have a profound effect on its subsequent history.

3. A PARTNERSHIP WITH UNEMPLOYMENT INSURANCE

The new employment service was soon used as an instrument of Canada's war effort. It was transferred in 1942 for the duration of the war from the Unemployment Insurance Commission to the Minister of Labour as a means of implementing the National Selective Service regulations. When the war was over, NES was given back to the Unemployment Insurance Commission. After the experience of rigid war-time controls, it was obviously going to be difficult to re-establish in the public mind the image of a free and voluntary service. During 1946 the Unemployment Insurance Act was amended so as to make the Unemployment Insurance Commission responsible to the Minister of Labour for the administration of that part of the Act which related to the Employment Service.

Several committees of inquiry in recent years have drawn attention to the failure to allow the NES adequately to carry out the functions for which it was created.

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[1] Ibid., pp. 91-92.

The Special Senate Committee on Manpower and Employment in 1961 reached the following conclusion:

> " The National Employment Service of the Unemployment Insurance Commission is potentially a powerful vehicle for dealing with both day-to-day and longer-term structural unemployment problems by facilitating the movement of people between different firms, industries, occupations, and areas; by co-operating in the implementation of training programmes; and by disseminating information. *However at present it is not being used as effectively as possible to carry out these vital functions. There is a regrettable lack of integration between the operations of the Employment Service and the research and policy-making activities of other government agencies, including the Department of Labour.* The time has now come to make a thorough study of the adequacy of the Employment Service and of its organisation and practices in the light of present-day conditions. Such a study should be carried out at the earliest possible time. *The Employment Service must become much more than an adjunct of the unemployment insurance system.* It must be well informed, properly guided, resourceful, and fully integrated into an overall programme for maintaining high levels of employment. There must be the closest possible contact with industry in every area and a thorough and detailed knowledge of job requirements and of changing occupational trends. "[1]

The Parliament of Canada in 1950 had ratified the ILO Convention No. 88, which is a definitive and detailed statement of the functions of an employment service. In 1962 a Committee of Inquiry into the Unemployment Insurance Act, presided over by Mr. Ernest C. Gill, published its report. In the section devoted to the National Employment Service, it refers to the ILO Convention in these words:

> " *Although the administrative staff of the National Employment Service did what they could to expand their operations and assume the broad role contemplated by the Convention, they were severely handicapped by lack of staff and facilities. This seems to have been the result of failure at some level to appreciate the importance of the true role of a national employment service and the result of the divided responsibility for manpower policy between the Department of Labour on the one hand and the Unemployment Insurance Commission through the National Employment Service on the other.*

" The problems that Canada is now facing as regards unemployment, and the problems it is likely to face in the future by reason of rapid and extensive technological change, must surely have made it clear to everyone concerned that a broad and comprehensive employment and manpower programme supported by an active and vigorous national employment service is absolutely essential to the national well-being. There should, then, no longer be any limitations placed on the proper development of the National Employment Service by reason of failure to appreciate its importance or the key role it must play. "[2]

The Gill Committee recommended that the National Employment Service should be transferred to the Department of Labour. This recommendation was accepted by the Government, and the new regime was planned to take place as from 1st April, 1965.

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[1] *Final Report of the Special Committee of the Senate on Manpower and Employment.* 4th Session. 24th Parliament. Elizabeth II, No. 25, p. 9 (our italics).

[2] *Report of the Committee of Inquiry into the Unemployment Insurance Act,* Ottawa, November, 1962, p. 168 (our italics).

The partnership with UIC, which had its disadvantages, has ended in separation. Now that NES and the Department of Labour are to be fused, the way will be clear for the development of an integrated manpower and employment policy.

4. APPRAISAL OF NATIONAL EMPLOYMENT SERVICE

There was general agreement among representatives of trade unions and management who spoke to us that the NES had been handicapped because the public had come to look upon it as merely an agency for referring unemployed workers to test their availability for work. On the whole it was apparent that employers make very little use of NES for their requirements of skilled labour. Here there is a vicious circle. The employment service needs to have a comprehensive and accurate knowledge of labour markets if it is to perform its task well: it cannot have such knowledge unless employers report their job vacancies to it, and most of them are reluctant to do this because of what they conceive to be unsatisfactory service. Representatives of the trade unions would like to see greater use made of the manpower functions of the NES and a much closer liaison between the Immigration Service and the NES. It is only fair to add that high tribute was paid to NES by some employers who had used its facilities in connection with major construction projects in Northern Quebec and Labrador.

In order to assess the capacity of NES to fulfil its functions, we examined the structure of its staff. In March 1964 the total staff of NES, excluding joint personnel, administrative and other services, consisted of 3,377, of whom 2,527 were officers and 850 supporting staff (clerks, stenographers, etc.). It would appear that an excessive load of work is being carried by the relatively few senior officers at national and regional headquarters. We were surprised that the establishment contained only one post for an economist; we were informed that at the relatively low salary at which it was graded it had not been possible to fill it for some time.

The Unemployment Insurance Commission has had to face a number of difficulties. It is clear that in the new phase urgent attention will have to be given to the adequacy of the establishment of NES for the tasks ahead. More money will have to be spent if the essential improvement in the qualifications of the staff at the centre as well as in the regional and local offices, as well as the much-needed strengthening of research resources, is to be achieved. The marginal social return to such an outlay will be considerable.

5. FUTURE PROSPECTS

The examining Team considers itself fortunate that the preparation of its report coincided with the publication of the first annual report of the Economic Council for Canada, " *Economic Goals for Canada to 1970* ". This expert analysis has attracted wide attention throughout Canada and its findings on the subject of manpower policy have a direct bearing on our assignment.

We can do nothing better than to reproduce the following extracts with which we fully concur:

" High employment can be sustained without rising prices and a deterioration of the nation's balance of payments only if there is efficient use of manpower resources. This concept has become widely recognised throughout the western world in recent years. It is for this reason that increasing attention has been focused on the development of labour market policies by European countries, and more recently by the United States. No country can achieve maximum efficient utilisation of manpower resources without effective labour market policy.

" The term 'active and positive labour market policy' has recently come into circulation. This concept of labour market policy, which has been developed in practice to its highest degree in many European countries, implies that it must have the status of an important national economic policy integrated with general fiscal and monetary policy. Its objectives, like those of the latter, are the same: to promote not only full employment, important as this is, but other national economic goals as well. Labour market policies can contribute to these objectives to the extent that they can influence efficient use of manpower resources. They are a necessary and vital complement to fiscal and monetary policy.

" The object of labour market policy, as we conceive it, is to bring about the matching of the supply and the demand for labour in specific localities and occupations in a way that manpower resources can be most productively utilised. It has as its purpose both the achievement of high employment and the utilisation of the labour force at its maximum productive potential. Workers who are employed at less than their productive potential, whether it is because of problems associated with lack of occupational, industrial or geographical mobility, earn less than they are potentially capable of earning. They contribute less to national productivity than they are potentially capable of contributing. There is thus an important loss of goods and services to the country as a whole. The national economic loss from inefficient use of manpower resources can be just as great as the economic loss arising from unemployment. Equally important, when there is a mismatching of the supply of, and the demand for, labour in an economy operating at a high level of demand, inflationary pressures inevitably arise.

" The removal of obstacles to desirable labour mobility is a chief function of labour market policy. For example, effective labour mobility is indispensable to minimising the duration of unemployment when workers are displaced from their jobs. Shortening the duration of unemployment can contribute significantly to economic growth and stability by increasing the supply of labour needed to match demand. Inadequate labour mobility, by impeding the flow of labour at a time of high demand, results in shortages and bottlenecks which produce upward pressures on production costs.

" There is little point in re-training a worker for a job that exists outside of his locality if he lacks the financial resources to move himself and his family. Likewise, there is no point in a worker moving to a new area if he is uninformed about the labour market in that area, or is technically unequipped to take advantage of existing job opportunities once he gets there. Effective mobility cannot be promoted in this piecemeal fashion. It can only be promoted by the development of an integrated programme of labour market services. Nor can effective labour mobility be promoted if functions and responsibilities under labour market policy

> are dispersed among various agencies, whose activities are not properly co-ordinated.
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> " The main agency for implementing and for co-ordinating labour market policy should be the National Employment Service (NES). Because it is clearly apparent that there has been considerable public confusion over the role of an employment service in the economy, it is important that this role should be clearly defined. The proper functions of an employment service can only be determined with reference to what labour market policy is, or should be. If it is accepted that labour market policy should be an integral part of general fiscal, monetary and other policies for the purpose of promoting national economic objectives, then it follows that the employment service must have a key economic role. It can no longer be regarded simply as an agency for registering unemployed applicants and taking orders from employers with unfilled vacancies, important as these services are. A new concept of the role of an employment service has developed in many of the advanced industrial nations. This concept suggests that the employment service must have the means to promote the occupational, industrial and geographical mobility of the labour force to meet the requirements of a changing industrial economy.
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> " If the NES is to assume the kind of role which we believe to be necessary to implement an active manpower policy, it must be given the highest possible stature within the Department of Labour. It must be able to command the services of highly qualified personnel and of the relevant specialised branches of the Department. The chief executive officer of the NES should work closely with other departments which are concerned with general economic policies. It is only in this way that labour market policy can become effectively co-ordinated with other policies in the pursuit of national economic objectives. "

The Team also wishes to underline the need to ensure that management and labour and other private groups become intimately identified with the working of the employment service and that every effort be made to promote co-operation at the local level. Much will depend on the services of regional and local offices in acquiring detailed knowledge of changing conditions in local markets. A great deal of the success of the Royal Swedish Labour Market Board is to be attributed to the extensive cooperation of employers and organised labour. Every effort should be made to recruit suitable people to serve on the advisory committees.

Under the new regime we suggest that, wherever possible, there should be physical separation between the unemployment insurance work and the placement work. Moreover, there is a case for considering whether the unemployment insurance rules might be revised, so as to enable the establishing of claims and the payment of benefit to be made by mail. It may be that there are insurmountable difficulties; but if it could be done it would have a welcome effect on the efficiency and public image of the offices as well as on the morale of the unemployed.

The promotion of geographical and occupational mobility is an essential part of an active manpower policy, and the NES could be the most important instrument to this end. In the words of the Economic Council for Canada, " ... what is needed is an integrated system of allowances with adequate safeguards against abuse, to cover all essential costs of the worker and his family, beginning with their removal and continuing over a reasonable period of financial adjustment to their new environment. " We agree with this point, but would add that the difficulties of developing a workable programme must not be underestimated. Canada is a vast country, and the authorities should assess carefully the heavy social investment in moving workers to jobs.

We now turn to the vital question of an adequate statistical service. Information on vacancies is so crucial to the whole structure of NES and Canada's manpower and employment policies that no effort should be spared to ensure the supply of comprehensive and accurate data. Quality must be the key-note. It is imperative that the setting-up of a large-scale apparatus be preceded by careful research by a small team of experts who have specialised in this branch of statistics and administrators with an intimate knowledge of the working of an employment service. The future will no doubt see the extensive use of electronic computers. It should be possible to select the type of administrative machinery which will, as a matter of course, yield the kinds of statistical by-products essential to an effective manpower policy.

As illustrations, the examining Team would suggest that there might be difficulties over such matters as:

a) defining when a vacancy exists, particularly in posts of high skill. where companies tend to operate a policy of picking up highly qualified personnel whether or not there is a formal vacancy;

b) the effect of variations in the coverage of job titles as between different employers, in arriving at aggregate totals by occupations;

c) persuading employers to ensure that their vacancy reports are of uniform quality in every respect and not just handled as a routine clerical operation.

It might be advisable, certainly in the preliminary research phase and perhaps in the first year or so of collection, that a sample of employers be given research contracts. Useful precedents for enlisting the co-operation of employers in such research exercises have already been established in the Labour Department's research programmes. There is here a rich field for experiments which should be most rewarding.

A fully developed employment service together with the Unemployment Insurance system could become the major source of statistical data on the labour market. There will be numerous possibilities of fruitful research, for example on the internal migration of labour within Canada by age, sex, occupation, industry, degree of skill, or duration of unemployment. Policy makers need to know how important are the maladjustments between demand for and supply of various types of labour in different areas, and what are the methods adopted by large and small employers in recruiting their workpeople. A great deal can be learnt about the extent of " bottlenecks " during a period of expansion in demand. In a developed national employment service with a reasonably high coverage, it is possible to measure, for each grade of labour, the lag between the notification of vacancies and the filling of them, and thereby to find out where the greatest pressure is building up and to identify possibilities of relieving the pressure. An example may be cited from a British analysis of the recruitment of engineering labour under boom conditions; this was based on a sample of Employment Exchanges in the London area just before the last war.[1] A scrutiny of the factors ultimately responsible for substantial placing delay revealed the following influences — the employer's insistence on particular qualifications, the offer of wages less than the normal or standard rate, unfavourable hours or conditions of work, and the need to recruit workers from a distance. It was statistically feasible to allocate instances of long delay to one or other of these categories according to which influence seemed dominant in the circumstances. In this particular investigation it was found that the major cause of delay, especially for the more skilled grades, arose out of the definite stipulations made by employers as to the quality of worker required. A similar inquiry into the building industry[1] emphasized the importance of achieving a high ratio of employment service placements to total hirings. The authors reached the conclusion that if the proportion of engagements made through the Exchanges were at least 60 per cent, instead of 30 per cent as it was then, it would be possible to think of the optimum use of local and " foreign " supplies of different grades of labour in the separate areas and to obtain the right degree of mobility in periods of boom as well as recession.

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[1] See R. G. D. Allen and Brinley Thomas, « The Supply of Engineering Labour under Boom Conditions », *The Economic Journal*, Vol. XLIX, No. 194, June 1939, pp. 259-75.

The visiting Team wishes to re-affirm its conviction that a vigorous development of NES along the lines outlined above is a basic prerequisite to an active manpower policy in Canada. We would refer to the success which attended the reform of the Swedish employment service a decade ago.[2] It is essential that salary scales should be raised and that, given a fair deal for existing staff who have worked loyally in unfavourable circumstances, the younger ones who have the ability and aptitude should be promoted to posts where they can show initiative, and persons with the desired qualifications should be appointed from outside. A new emphasis will have to be placed on in-service training. The tasks of the future will require a highly-qualified staff, including experts trained in the social sciences and operations research.

Finally, we would stress the need for an effective public relations policy. The aims of manpower policy must be communicated to the public, particularly to those groups which have a stake in the matter. The publication of first-rate research monographs is of little avail unless provincial government agencies, trade unions and employers use the research in designing their own policies. Making available a variety of constructive labour market services achieves little unless the public is made aware of these services. In Canada there is particularly keen competition in the business of communicating with the public. We suggest that the publicity programmes will need to be extremely effective. Many methods would have to be used, including newspapers, magazine, radio and television publicity and advertising, attractive publications and, perhaps most important of all, an intensification of personal contacts with groups most directly concerned throughout the country.

In setting its goals for the Canadian economy, the Economic Council assumes improvement in productivity per worker of 2.4 per cent per year from 1963 to 1970; this is equivalent to an overall rise of 18 per cent during these seven years. An efficient employment service, as part of an active manpower policy, has a vital part to play if such a target is to be reached. Much will depend on the policy adopted in the initial stages of the integration of the National Employment Service and the Department of Labour. We suggest that the experience of other countries be carefully studied before irrevocable decisions are made. There are pitfalls to be avoided as well as lessons to be learnt. Up to now the main research effort has been concentrated in the Economics and Research Branch of the Department of Labour. If an active manpower policy is to be made effective, there will need to be a unified research section which will make the fullest possible use of the basic data which only an efficient national employment service can provide. In working this out there will be ample scope for a pooling of specialist knowledge from the field and from the centre. On the administrative side, the operation should have regard to the valuable relationships in the manpower field which the Department of Labour has built up patiently and carefully with the provincial governments over many years. To attain its full potential in the new setting, NES should function in harmony with the federal-provincial methods evolved in the spheres of technical and vocational training, vocational rehabilitation, agricultural manpower, winter employment and area unemployment.

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[1] R. G. D. Allen and Brinley Thomas, « The London Building Industry and its Recruitment through Employment Exchanges », *The Economic Journal*, Vol. XLVII, No. 187, September 1937, pp. 465-82.

[2] See « *Labour Market Policy in Sweden* ». OECD. Paris 1963. p. 66.

Chapter IV

TECHNICAL AND VOCATIONAL TRAINING

It is commonly recognised that a country's economic development is largely related to the availability of adequately trained manpower. The money spent on technical and vocational training, on improving skills and eventually on re-adjustment, is looked upon as an investment that is just as productive as capital spent on new industrial facilities and equipment.

This seems to be exactly the right standpoint when considering the Canadian situation. As will be seen in Section I of this Chapter, the situation gives rise to a great need for vocational training, and the steps taken to meet that need now constitute one of the main factors of Canada's labour policy. In Section II we shall see how the Canadian authorities have realised what action must be taken, and the guiding thought that has inspired such action. In Section III we shall examine the principal training programmes which have been implemented, and in Section IV we shall summarise our conclusions.

I. REASONS WHY CANADA MUST MAKE A VERY SPECIAL EFFORT WITH REGARD TO TECHNICAL AND VOCATIONAL TRAINING

The need for training arises first of all because of the recent and very rapid changes that have taken place in the structure of the Canadian economy. Early in this century Canada was engaged in large part in producing and exporting basic materials and food products. But in a very short time, during and particularly after the war, it became a highly industrialised country. The volume of industrial production increased by 50 per cent between 1953 and 1963.

As a result of structural changes, the composition of the labour force is undergoing a substantial change. In some sectors employment is stationary or declining, whereas in others demand is increasing substantially. The following figures show the extent to which the various elements of the labour force are changing. The number of people employed in agriculture dropped from 1,186,000 in 1946 to 641,000 in 1963, a decline of almost 50 per cent. On the other hand, during the same period the number of people engaged in non-agricultural activities increased from 3,480,000 to 5,723,000. In the service sector alone, the labour force more than doubled, rising from 784,000 to 1,669,000. Thus, on the one hand, workers belonging to the contracting industrial groups must be enabled to learn new trades and, on the other, developing industries must be provided with the skilled manpower needed.

The situation which has just been described by comparing the various sectors of the economies is not the only one to be considered. When the employment situation within each industry is also studied it is found that because of technical developments the occupations that are showing the greatest expansion are those calling for the highest level of education and training. In other words, skilled occupations and office occupations are developing at a relatively greater rate than jobs for semi-skilled or unskilled workers. According to the estimates of the Federal Department of Labour, almost 70 per cent of jobs are now in types of work requiring a high level of knowledge and technical skill, and jobs for the semi-skilled or unskilled worker only amount to 30 per cent of the total. In order to meet this need, it is therefore necessary to increase facilities for vocational training and upgrading.

The population of Canada increased from 11,500,000 in 1940 to over 19,000,000 in 1964. This growth is proceeding at the rate of approximately 3 per cent per year, and it is estimated that the population may reach 27,000,000 by 1980. When the composition of this increasing population is examined, it is found that the number of young people entering the labour force is increasing year by year. The number of young people between the ages of 14 and 19, which was 1,285,000 in 1953, reached 1,909,000 in 1963. Of these 1,909,000 young people, 660,000 or 34.6 per cent, are part of the active population. As we have seen in Chapter II, unemployment was 7 per cent in the years 1958-61 and it has tended to remain particularly high in the lower age groups and in certain areas.

Another factor leading Canada to intensify her action with regard to vocational training was the decline in immigration. In 1957 the number of immigrants reached 280,000, the largest number since the war. It fell to 124,000 in 1958, and has remained below or about this level since that time. Until then immigration had provided Canada with a large part of her skilled labour. We have already noted that from 1946 to 1956, out of 280,000 skilled workers who helped to increase the country's labour force, 110,000 came from other countries. Canada must make up for the smaller contribution through immigration by intensifying her efforts to train her own skilled manpower.

Such, in brief, are the various reasons which led the Government of Canada, following a series of studies on the development of employment and manpower requirements, to launch an extensive programme of technical and vocational training of which a general outline will be given in Section III below. Before doing so we must set forth the main ideas that inspired the action taken by the authorities.

II. THE LEADING IDEAS BEHIND THE CANADIAN VOCATIONAL TRAINING PROGRAMME[1]

First and foremost, there is the idea that, in general, both young people and adults must be able to take advantage of the highest possible level of education in order to be efficient in their vocations.

A survey of the educational level of the unemployed carried out in Canada in February 1960 revealed that the rate of unemployment varies according to the level of education. At that time 43.8 per cent of unemployed workers had not completed their elementary schooling, 48.6 per cent had completed their elementary but not their secondary schooling, and 7.6 per cent had completed their secondary schooling or had pursued their studies beyond that level.

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[1] It should be pointed out that we are not dealing here with problems related to training at the level of higher education which, moreover, was the object of a separate study by OECD within the Committee on Scientific and Technical Personnel.

The unemployment rate was 18 per cent for the first group, 8 per cent for the second group and approximately 3 per cent for the third group.

Training for young people

In the second place, it is considered that vocational education needs to be made available to some young people as soon as possible, that is, in the secondary school. In this spirit, both in the interests of the economy and the beneficiaries, there is an effort to bring education and training given to young people closer to the requirements of a changing economy.

Studies on unemployment reveal that a large number of young people are to be found among the unemployed workers. Thus in 1963 there were 373,000 unemployed workers, of whom 211,000, or approximately 60 per cent, were under 35. Statistics also show that the rate of unemployment for youth is much higher than the average rate. In 1963, for example, the average rate was 5.5 per cent for all the age groups comprising Canada's active population, but the average rate was 11.4 per cent for the 14-19 age group, and 7.4 per cent for the 20-24 age group. These figures indicate that many young people are not sufficiently well prepared for their working lives.

Finally, the high percentage of school drop-outs has caused considerable concern in Canada. Thus it was found that about one-third of the young people who began their elementary schooling in recent years have left before or on reaching the eighth grade. Another third have left before completing high school.

It is considered that this state of things is partly due to the inadequate adjustment of teaching to the needs of those concerned. Indeed, up to this time the system of education at the secondary level had been mainly designed to prepare pupils for higher studies in the universities. With the extension of the period of schooling, the system has itself become an extension of elementary schooling. But in its traditional structure, orientated towards academic studies mainly aimed at acquiring general culture, the system is proving inadequate for a large number of young people. Many of the latter do not have the capacity to assimilate this education, and for that reason withdraw rapidly. It therefore seemed that it would be an advantage if the traditional secondary education became more vocational in content, and that is why, as we shall see later on, the programme now being carried out by the Federal Government encourages greater attention to the development of technical training courses in the high school than formerly.

Similar ideas inspired the acceleration of measures aimed at training technicians. This involves training young workers and giving them a qualification that is somewhere between that of a skilled worker and a graduate engineer.

A number of young people who go on to university after completing high school do not have any real aptitude for these studies. They are a loss to industry, where technicians are so scarce that engineers have often to be allocated to do their work.

Thus an effort is being made to give these young people better guidance by developing facilities for training technicians. The concept of training at this level is the same as the one just outlined. It is a question of adapting the educational system as much as possible to individual capacity and the needs of a modern economy.

These new trends have been very fully expressed in the profound educational changes now being made in the province of Quebec. A commission headed by Mgr Parent, Vice-Rector of Laval University, which follows on a survey carried out by a working committee on technical and vocational education, recently published a number of conclusions. This scheme considerably modifies the structure of the various levels of education in the province (elementary, secondary, post-secondary and higher education) and may be applied when the next school year starts. Following the Commission's first recommendations, a Department of Education has just been established within the provincial government and will henceforth take charge of education which was previously under a senior officer of the Department of Youth.

The Commission first recommended that the length of the various educational cycles be changed. From now on in Quebec the pre-university courses will comprise a total of thirteen years, of which six will be devoted to elementary education, five to secondary education and two to pre-university and vocational education.

But it is above all the spirit and the methods of such education that will be changed. The Commission's report states that a broader and more diversified humanism suitable to the present-day world must be put into effect. In applying this principle, technical education is integrated into the traditional academic education, particularly at the level of secondary education. If, beginning in the third year of secondary education, all students are given a common general training in a certain number of compulsory subjects such as mathematics, languages and social science, those whose aptitudes call for it, or who do not intend to pursue their studies, will have the option of taking courses that will prepare them for technical and vocational education.

To some extent uniform but nevertheless diversified education is being instituted. Although students will attend the same school, they will not all necessarily take the same courses or study the same subjects but will make a choice. The system includes both technical and other options, one practical option per year being compulsory for all students throughout their secondary schooling. Divisions between various types of education are being abolished and it will be possible to re-group young people regardless of the career they wish to follow. It should be noted, moreover, that by means of these options there is nothing to hinder the student who may want to revert to the traditional academic course from doing so. Following secondary school, the Parent Commission have recommended the establishment of a complete course of studies lasting two years after grade 11, as distinct from secondary schooling and higher education. These courses would represent the necessary preparatory stage for advanced studies for those who intend to continue their education, and for those who do not, it would be a final phase of general and vocational training preparing them for life. This course would be given at the level of the present technological institutes and would bear the name of pre-university and vocational education. The Commission wants all students who intend to go on to higher studies to attend a pre-university and vocational institute at least for two years prior to university. This again emphasizes the need for re-grouping students training for various careers.

Adult training

One of the objects of adult training is to enable those who were unable to do so when they were young to acquire the knowledge needed to ply a trade. Training facilities must also be made available to workers who are moved from a depressed area to one of ample employment, and workers must be trained for industries that are being encouraged to establish themselves in underdeveloped areas. Special attention must be given to the needs of the unemployed.

The problem of the vocational adjustment or retraining of manpower, particularly in terms of the changes related to technical development and above all to automation, is one about which the Federal Government is most concerned at the present time. The guiding principle is that if the adverse effects of this development are to be reduced to a minimum, the changes must be planned efficiently and ahead of time in order to assess their impact on labour and take appropriate steps to prevent unemployment. To that end a new service known as the Manpower Consultative Service has been recently set up within the federal Department of Labour precisely for the purpose of helping to adjust manpower to major technical developments in the various industries.

The objectives of this new service may be summarised as follows. It applies itself to getting in touch with the unions and management in a particular sector of industry where technical change is imminent, and suggests that a joint study of the probable effects be undertaken. Assuming the suggestion is accepted, an agreement is signed by which the Federal Government undertakes to bear 50 per cent of the cost of the research programme, the other 50 per cent being borne by the parties concerned — namely, management and unions. A joint committee comprising representatives of management and labour, presided over by a competent neutral person, is then formed. The committee appoints researchers who make recommendations on the basis of which the committee prepares a report. This report may result in various solutions. In some cases it may be possible to re-adapt the workers affected within the industry. In others, it may be that some of the staff — say 20 per cent — should be released at certain intervals during the following five years and appropriate types of vocational retraining may be suggested for the personnel affected. This training programme can be undertaken under the Technical and Vocational Assistance Act, in which case the Federal Government takes over 75 per cent of the cost borne by the province.

The need to provide for the vocational retraining of a large number of employed workers seems inevitable to those who have studied technical development and its consequences in Canada. They are inclined to believe that the average worker is not likely to spend all his working life in one and the same trade calling for a specific qualification. It is therefore thought that, instead of giving thorough training in one speciality, it would be better to provide the beneficiaries with basic general knowledge which would open their minds to a greater extent and give them the flexibility that may eventually facilitate their retraining. It is considered that this basic general knowledge should be given particularly in the fields of mathematics, science and languages. Thus at the present time the Federal Government tends to encourage by means of substantial financial assistance the steps taken in industry to increase the workers' level of general knowledge.

III. THE MAIN VOCATIONAL TRAINING PROGRAMMES UNDER THE ACT OF 20TH DECEMBER, 1960

In the foregoing sections we have explained the conditions under which the Government of Canada has been led to make a rapid and energetic effort with regard to vocational training. In Canada, under the Constitution, all matters relating to education are under the jurisdiction of the provincial governments. Thus the latter are responsible for vocational training. Up to 1960 they received relatively modest contributions from the Federal Government to assist them in this task. Since then the Federal Government's policy has been to provide the provinces, through revised legislation, with considerably increased assistance, enabling them to meet Canada's urgent need to train young people and adults more effectively.

This was the purpose of the Technical and Vocational Training Assistance Act passed on 20th December, 1960. Under this Act, the Federal Government can assist, particularly by means of financial aid, approved technical and vocational training programmes introduced by the provinces. Agreements are concluded to this effect between the Federal Government and the government of each province concerned. The agreements run for six years at the most. The provinces retain the initiative with regard to the nature, place of establishment and structure of the facilities created, and are responsible for their administration. The Act provides for various programmes that may have the benefit of Federal Government assistance. These programmes are as follows: training in vocational high schools, apprenticeship, technician training, adult training, special centres for the unemployed, training in co-operation with industry, the training of teachers for technical and vocational education, training of the physically handicapped.

Considerable financial assistance is given by the Federal Government. This applies to two types of expenditure:

a) capital outlay on buildings and equipment;

b) outlays on current expenses relating to training.

With regard to capital expenditures, the Federal Government pays a uniform 75 per cent of the amount allotted by the province regardless of the programme involved. It is provided, however, that this contribution is reduced when the aggregate amount of the subsidies thus allotted to various programmes is equal to an average amount of $ 480 earmarked in the provinces for each young person in the 15-19 age group on the basis of the 1961 census. The rate of contribution is then reduced from 75 per cent to 50 per cent. With regard to operational expenditures, the Federal contribution varies according to the nature of the programmes. In general it is 50 per cent, but it can be higher.

Under the 1960 legislation, six-year agreements expiring on 1st April, 1967, were signed between the Federal Government on the one hand and each of the Canadian provinces on the other, and they have made it possible to expand the various programmes to a considerable extent.

Technical and vocational training at the high school level

As mentioned earlier, the Canadian authorities are anxious to provide young people with an education that is better suited both to their capacities and to the needs of the economy, and can thus give them a better chance in the labour market. They are trying to achieve this objective by developing vocational education in the high schools. The programme established for this purpose includes courses in high schools where students receive both general education and technical training leading to a trade. At least 50 per cent of the schedule must be devoted to such technical and vocational training. The Federal Government then pays 50 per cent of the money which the provinces must spend in operating these courses. A federal assistance budget of 15,000,000 dollars for the six-year period has been provided. In 1963-64, the programme covered the training of 164,000 students (not including the province of Quebec).

Training technicians

Technicians are a class of employees who are relatively scarce in Canada. The Federal Government pays 50 per cent of the money which the provinces spend on training technicians, and this assistance has had a marked effect on the results obtained. In 1963-64, 14,000 students attended training courses in 35 centres as compared to 2,400 in 1962. Nevertheless, a still greater effort is required, particularly since not all the students graduate and it is estimated that the Canadian economy will be short of technicians over the next few years.

The responsible Canadian authorities are doing everything they can to increase the number of technicians. In this connection the examiners heard evidence that the present remuneration and working conditions of technicians in industry are not always satisfactory. It was pointed out that, in contrast to manual workers, technicians' unions are not sufficiently organised and their social status is not particularly high. A problem also arises as to whether the training of technicians in technological institutes should continue as it is at present, or whether it would be preferable to increase their general knowledge so that they can proceed to an engineering diploma in technological institutes; this would be on a lower level than the engineering diploma offered by universities. Opinions are divided on this subject. It seems desirable to enable the more gifted technicians to go to universities.

Adult training programme

This programme is intended for people who are above the compulsory school age, and is designed to give them vocational training or upgrading in various trades. Its purpose is three-fold, namely:

a) to train adults who want to learn a trade;

b) to enable people who are working to improve their occupational skills, and

c) to enable redundant workers to learn a new trade.

Such instruction can be given on a full- or part-time basis, in the daytime or at night by means of classes organised for workers who have a job and obtain release from their employers, or, again, by correspondence courses. The duration of the courses varies from a few days to two years. Full-time courses have been organised for over eighty trades. During the fiscal year 1963-64, 27,000 adults were given training under this programme.

Special training centres for the unemployed

The large number of unemployed and the need for training adapted to their particular needs led the authorities to set up special training centres for this class of beneficiaries. Accelerated training courses usually lasting six months but sometimes extending to twelve months, were organised for 115 trades in 300 centres distributed throughout Canada. In 1963-64 49,047 persons — 31,686 men and 17,361 women — registered for these courses. During their period of training the unemployed receive an allowance which varies according to the province concerned and which the Federal Government has now taken over almost entirely. The Federal Government's contribution to these allowances has recently been increased, first from 50 to 75 per cent and then to 90 per cent in order to encourage the provinces to assist the unemployed.

The programme has expanded since the Technical and Vocational Training Assistance Act was adopted, but when the number of months the unemployed spend on vocational training is compared with the number of months of work lost because of unemployment, the ratio between these figures only amounts to 2.9 per cent. We must be careful, however, in interpreting this ratio, since a number of the unemployed, e.g. seasonal workers and students doing summer jobs, are in the labour market only a short time, and training for most of them would not be appropriate.

Training in industry

Thought must also be given to providing employed workers with training and improvement facilities. In Canada approximately 17 per cent of the undertakings employing fifteen workers or more have, in one way or another, taken steps to train skilled, supervisory and technical workers, and two-thirds of these also train apprentices. The Federal Government offers to pay 50 per cent of the amount a province spends on training in industry. The number of people who have benefited from the programme is steadily rising, and from 1,705 in 1962 increased to 3,770 in 1963 and to approximately 8,000 in 1964. These people include heads of small businesses, personnel supervisors and workers at a lower echelon who want to improve their trade qualifications.

But the Canadian authorities consider it necessary to expand the programme. They want to develop it particularly in the following three sectors — increasing the basic knowledge of workers with a view to improving them in terms of basic education, apprenticeship, and vocational retraining in anticipation of displacement connected with technological changes. That is why the government's rate of contribution to these three types of training has increased from 50 per cent to 75 per cent since 1963. A recent experiment at Leaside, Ontario may be quoted as an example of these new trends. Three industries, in co-operation with unions, local school boards and provincial and federal agencies, organised courses for members of their staff in order to increase their level of general knowledge by two or three grades beyond grade eight, thus enabling them to take specialised courses afterwards. These courses lasted six months. The employees left their work every day at three o'clock to attend three-hour classes in mathematics, science and English. The school board put laboratories at the disposal of the group. The companies rented premises, hired teachers and advanced the money required for the programme. They were reimbursed by the province which, in turn, was relieved of part of the expenditure by the Federal Government. Ten employees of each participating industry took advantage of the programme.

We do not want to leave the subject of training in industry without touching on one aspect of apprenticeship. This involves instruction given to young people over a long period of time, partly at the place of employment and partly in the classroom, in order to promote specialisation in a particular trade. This method is advocated by those who think that a trade is best learnt in the factory and that repetition of certain operations is one of the essential factors in acquiring a trade.

In many countries, however, this type of traditional instruction is now being severely criticised as being out of date. There is force in the contention that in an age of rapid technical development it is more important to dispense general training which develops the faculty of vocational adjustment rather than to require specialisation which is all too often directed towards the needs of a single employer and may soon become obsolete. Apprenticeship is still favoured in some trades requiring a long period of training, in certain sectors of industry such as building, and in small or medium-size businesses, but it has not developed widely in industry in Canada. Indeed, the number of apprentices trained under agreements signed with the various provinces — with the exception of Quebec, where a different system is in effect — increased only from 20,326 in 1960-61 to 23,063 in 1963-64.

There is little doubt that the apprenticeship system should be radically changed, particularly with a view to shortening the time required for training and bringing the programmes up to date so as to ensure greater integration with the general system of vocational education.

IV. CONCLUSIONS

The Canadian authorities are fully aware of the fact that the future development and prosperity of their country, in this era of industrial transformation and rapid economic progress, depend to a large extent on the levels of knowledge and the technical skill of the workers. The new policy includes teaching reforms at the school and post-school levels; a tendency to develop basic knowledge in the worker in order to make his eventual re-adjustment easier; and the concept that it is essential to envisage the continuing training of workers in industry. Action along these lines will certainly contribute to an increase in economic growth of 50 per cent during the period 1960-70, which is the objective established by the Recommendation of the OECD. The legislation adopted in 1960 has provided the means to undertake vigorous action with a view to filling the need for the most varied types of training.

Under the spur of an efficient administration, the results already achieved have been spectacular. For instance, by 31st March, 1964, 559 building projects, representing a total value of $ 560,000,000, had been approved since the promulgation of the 1960 law, corresponding to a Federal contribution of $ 341,000,000. This investment programme made possible the immediate increase by 150 per cent of the number of places available in technical and vocational training institutions. Indeed, the capacity has increased from 108,000 in 1960 to 261,000 in 1964.

It would, however, be surprising if legislation enacted barely four years ago could already have reached its full impact. Much remains to be done; for example, the stepping-up of training of technicians, of the unemployed, and of those employed in industry. The Canadian government, while registering satisfaction at the increased capacity of the above-mentioned institutions, realises that the increase is already absorbed by the existing demand and estimates that it would be necessary to provide 500,000 places by 1970. Recent efforts, impressive as they are, appear to the authorities themselves to be but the first instalment of what should be accomplished.

Secondly, this expansion of training facilities, precisely because it is happening at such a rapid rate, brings about a great need for co-ordination of effort and exchange of information among the interested parties — unions, employers and other organisations. This necessity is apparent to the Federal Department of Labour which is responsible for these programmes. It has, for instance, organised meetings of the Deputy Ministers of Labour and senior officials of the Federal Department of Education of the various provinces to review the action taken, receive suggestions, and stimulate useful exchanges of ideas. The examiners were privileged to attend one of these meetings, presided over by the Federal Deputy Minister of Labour, and they were greatly impressed by the value of the discussions.

Liaison has also been established between governments, unions and employers within vocational training advisory councils functioning at the national and provincial levels. It would appear, however, judging from comments received, that this should be strengthened, particularly at the industrial level. The authorities would do well to improve the publicity given to vocational training programmes and, on their own admission, the employers might make their needs better known.

In recent years the Federal Department of Labour has distributed a great deal of information for use in vocational guidance, e.g. trade analyses, occupational monographs and films; but it seemed to the examiners that more progress should be made in the field of vocational guidance itself. The staff of the National Employment Service is absorbed by a multitude of jobs which prevent it from devoting enough time to vocational guidance. In high schools vocational training facilities are developed in an uneven and dissimilar manner, owing to the autonomy enjoyed by the Departments of Education in the various provinces. The guidance of youth should have a more uniform pattern, particularly if it is the intention to stem the inclination towards occupations which are on the wane.

In the near future the Federal Department of Labour might well encourage a co-ordinated vocational guidance programme which will attempt the development of guidance service personnel, the training of selection officers, and the standardisation of the criteria of selection.

The increase in Canada's training potential also implies that the results obtained in employment, professional advancement, and salary conditions of the trained subjects should be recorded. Such surveys would constitute a check on the manner in which the given training conforms with the needs of industry, on the quality of the instruction given, and on the accuracy of the guidance officers' forecasts. They would also provide for the introduction of reforms where and when necessary. Periodic investigations by the authorities in this field would therefore be advisable.

We would also like to draw attention to the problem of the training and upgrading of persons already employed because this is a field where efforts should be intensified in Canada, as well as in many other countries.

Once we accept the idea of the need for continuing training of workers by reason of the constantly changing conditions of the economy, the process of vocational adjustment and upgrading of employed persons should be viewed in a totally new light. It should be agreed that hours spent on these refresher courses be considered, as much as possible, on a par with working hours and a part of the normal work schedule.

In the framework of academic courses taken at night and leave taken for study purposes at the expense of the wage-earner, refresher training is sought only by a minority of the most active workers, and cannot therefore be expected to develop as much as it should. In Canada the practice has sometimes been adopted of sharing the cost of the refresher courses evenly between the employer and the wage-earner. For instance, the refresher course at the plant starts in the employee's last working hour and ends in the first hour of his free time, the employee being paid for one or one and a half hours. However, in our view it would be advisable to go further. It is by regarding refresher courses as an inherent part of the working day and paying for them as such that the common interests of management, wage-earners and the community will be served. For this reason we believe it would be interesting to conduct a survey to determine whether this concept could be broadened and in particular what Federal and Provincial financial measures would be needed to support it.

Chapter V

CONCLUDING REFLECTIONS

As this report is based on such a short visit, it could not present anything like a complete account of Canada's manpower programmes; the Team confined itself to an appraisal of certain aspects of them.

Where we have ventured to make critical observations, we are judging by the very high standard of Canada's achievements. We have been impressed by abundant evidence of new ideas and a forward-looking spirit, for example in regard to technical and vocational education, seasonal unemployment, regional planning, and the future role of immigration.

1. Designated Areas

We would like to refer briefly to the scheme for area development introduced by the federal government. Designated areas of high unemployment and slow economic growth are determined by the Department of Labour on the basis of approved criteria; the boundaries of these areas correspond with those of the local office areas of the National Employment Service. In these designated areas the Department of Labour, by means of a system of select tax incentives, is able to promote the establishment of new manufacturing and processing businesses. A manufacturing or processing firm which is a new incorporation, or an established firm which starts a kind of business new to the firm, can qualify for the benefits if it acquires or leases new machinery and equipment in a designated area. The incentives may be obtained irrespective of whether the output of the new business has been provided previously in the area or elsewhere in Canada. To stimulate additional investment in new buildings in these areas a more advantageous capital cost allowance is available on new depreciable buildings acquired by any taxpayer, irrespective of whether a new manufacturing or processing business is involved. Benefits allowed in respect of approved projects include exemption from income tax for three years, capital cost allowances on a straight line basis at a rate of up to 50 per cent per annum on new assets and special capital cost allowances at a rate of up to 20 per cent per annum on new buildings. Thirty-five areas were designated in 1964, and at the end of the year the Minister of Industry has been advised of 175 new enterprises in twenty-three of the areas, involving investments totalling $ 418 million and an estimated total of 14,400 jobs.

2. Technical and Vocational Education: For What?

A crucial question which frequently came up in our discussions was: what kind of technical and vocational education should be given in Canada's schools? The consensus was that, because of the rapidity of technical change, it is not possible to make accurate predictions of future occupational requirements. The youth of today may expect to change jobs several times during the course of his life, and training for only one occupation may thus be the wrong approach. In view of this, many people contend that the educational system ought to adopt curricula which foster the acquisition of basic technical knowledge and skill sufficiently broad to permit flexibility and adaptability. Employers often use the same argument, saying that what they ask for in a young person is a sound general education as a basis for the specific training which they themselves will provide. Educators, on the other hand, are sceptical about this; employers are divided on the matter and many of them reject applicants who do not have a specific skill to offer.

There is evidence that many Canadian employers have tended to neglect on-the-job training, partly because they are accustomed to a large inflow of skill through immigration. There is a great deal of leeway to be made up in this area. It seems to us that the delineation of training responsibilities is a subject which government officials could fruitfully explore with leaders of industry and trade unions.

Unless a solution to this problem is found, there is a danger that the expanding schools may be taking on training functions which should be the business of employers. In our interviews with Canadian leaders we received some evidence of such developments. We were told by one employer's representative, for example, that education authorities had offered to undertake for his company a training scheme which ordinarily it would have had to do on its own. While it is easy to understand why the education authority made such an offer and why the company was willing to accept it, one can hardly agree that direct training for employers is a legitimate function of a secondary school.

Although it is not possible to make accurate long-range predictions on occupational requirements, manpower experts must do more for education authorities than merely to tell them to teach students to be flexible and adaptable. Researchers should seek to find out the elements which constitute flexibility and adaptability and give this information to the educators and industry. It is not sufficient to rely on unsupported statements that workers just need more mathematics, science, English, etc., in order to be flexible. This proposition needs to be verified and tested in various settings. It is possible that other kinds of knowledge or skills would be valuable. Research on operations in establishments employing the very latest methods and equipment might provide answers which would be useful to educators responsible for preparing youth for the world of tomorrow.

The Team was informed that vocational guidance in Canada is not a well-developed programme. It is an important tool of manpower policy and should be strengthened. There is a growing awareness of the importance of vocational guidance, and efforts are being made to increase the quantity and quality of guidance work. As yet the accomplishments fall short of the needs. We would like to suggest greater support for guidance research and more counsellors in schools and in the employment service.

3. The Role of Immigration

We have referred to immigration in several sections of this report, but unfortunately we have not had the time to devote to this subject the attention which it deserves. We were frequently told that Canada is now passing into a new phase, in which the number of skilled immigrants which she can expect to receive will decline relatively to her needs. There can be no doubt that dependence on immigration has led to a neglect of industrial training. For example, in the Province of Ontario in the period 1953-63 the number of plumbers who completed their apprenticeship was only half that of the immigrant arrivals who intended to pursue this occupation; for electricians the proportion was 35 per cent, and for carpenters as low as 8 per cent.[1]

There are some striking facts about the degree of reliance on outside sources of highly trained manpower. In the decade 1953-63 the number of architects entering Canada was equal to 141 per cent of the number graduating in Canadian universities; the corresponding ratio for engineers was 73 per cent and for physicians and surgeons 53 per cent. The census of 1961 showed that 25 per cent of the persons qualified as engineers and physical scientists in Canada are post-war immigrants. For other professional grades, the proportions are as follows: architects, 35 per cent; computer programmers, 20 per cent; physicians and surgeons, 19 per cent; professors and college principals, 16 per cent; actuaries and statisticians, 15 per cent; biological and agricultural professionals, 14 per cent; and other professional and technical workers, 11 per cent.[2]

A large and increasing number of professional workers leave Canada every year to take up posts in the United States, but we must also take into account the return movement of Canadian-born persons having these qualifications. The net balance for professional and technical manpower for the period 1950-63 has been estimated as follows: the average annual inflow from the United States to Canada was 1,230; the outflow from Canada to the United States was 4,681, giving a net loss of 3,451. However, the inflow from the rest of the world was 6,560, so that on balance Canada was absorbing high-level skill to the extent of about 3,109 a year.[3]

The whole question of the future role of immigration is being carefully studied by the authorities concerned with manpower policy. It is a complicated problem and there is need for improved statistical information both on the demand and the supply side. There is one important aspect which is not being given adequate attention in Canada, namely, the international implications of the migration of highly-trained manpower. There is a growing movement of skilled workers from the less developed to the richest countries, and this loss may seriously impair the ability of the poor countries to carry out their plans for economic growth. It would be appropriate if the Member countries of OECD were to examine the bearing of the international migration of skill on the gap between the rate of economic development in low-income countries and in the advanced countries.

4. Crucial Tests for an Active Manpower Policy

The population " bulge " in Canada is more marked than in almost any other country, since a large volume of immigration has been superimposed on an exceptionally high rate of natural increase. This demographic factor, while giving a strong boost to population-sensitive capital formation, might at the same time increase the relative incidence of unemployment in certain age-groups and widen the disparity between the level of prosperity in different geographical areas.

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[1] *Some Aspects of Post-War Immigration*, Economics Branch, Department of Economics and Development, Province of Ontario, September, 1964, p. 37.

[2] *Economic Goals for Canada to 1970*, Economic Council of Canada, 1964, p. 167.

[3] *Economic Goals for Canada to 1970*, Economic Council of Canada, 1964.

It is important that an active manpower policy should anticipate the consequences of changes in the age-distribution of the population. In the immediate future there will be a rapid rise in the number of young persons entering the labour market. Simultaneously there will be a relative short-fall in the 25-34 age-group, reflecting the low birth-rate of the 1930s. This latter phenomenon has not been given the attention it deserves, because its effect was hidden during the phase of slow growth, 1957-62. In a period of sustained upswing a relative thinning-out in the middle-age groups will entail shortages of persons in the prime of their working capacity.

The labour market problems created by these demographic trends are likely to become more difficult to solve if the wage structure is such that employers are encouraged to mechanise because of high labour costs. This would tend to diminish employment opportunities for the young when their numbers are growing fast. One has also to consider the effects of various provisions written into collective agreements, particularly the seniority rule which is quite common in Canada. When the working force is expanding abnormally in the younger age-groups and is relatively depleted in the middle age-groups, the seniority rule might lead to an intensification of unemployment among young people at the very time when, in the interests of economic growth, rapid promotion from the ranks of the young is required. More research is needed on the economic consequences of practices in the field of industrial relations, for they have an important bearing on what a manpower policy can achieve.

This report has stressed the need to expand the programmes for technical and vocational training. It is also clear that the demographic prospect facing Canada in the immediate future calls for bold planning in the manpower field. The principles governing immigration policy might be revised in the light of these trends. For example, consideration might be given to the possibility of increasing the number of immigrants in the middle age-groups who do not possess special skills, with the proviso that they are given the appropriate training or retraining on arrival. This would also help to offset the bad effects on under-developed countries of the leakage of their sparse supplies of skilled manpower to the rich countries. To alleviate the serious human problems created by the " bulge " in the lower age-groups there is a strong case for the organisation of training camps and " opportunity centres " for unemployed youths, on the lines of what is being done as part of the " War on Poverty " in the United States.

An active manpower policy will also need to take into account the regional incidence of the demographic trends, for it is probable that they will entail an increase in structural maladjustment. This is a field where research is urgently needed, so that action can be decided well in advance. We are here concerned with the whole problem of disparities between growth rates and structural unemployment in different parts of the country. A careful appraisal of social costs and benefits might well lead to the conclusion that a policy of promoting the migration of capital and technique into areas of slow growth is to be preferred to the transfer of workers into areas where economic activity is most intense. There is a strong presumption that a narrowing of the gap between the level of prosperity in different regions will help to achieve stable growth. Difficult though it may be to foresee the future range of demands for various grades of manpower, it is possible to predict with reasonable accuracy the demographic picture for the next few years. It is both a challenge and an opportunity to those responsible for manpower policy in Canada.

PERSONS INTERVIEWED BY THE EXAMINERS

DEPARTMENT OF LABOUR

Dr. G. V. Haythorne, Deputy Minister.
Dr. W. R. Dymond, Assistant Deputy Minister.
Mr. J. P. Francis, Director, Economics and Research Branch.
Dr. G. Schonning, Assistant Director, Economics and Research Branch.
Mr. Ian Campbell, Director, Civilian Rehabilitation Branch.
Mr. C. R. Ford, Director, Technical and Vocational Training Branch.
Mr. G. G. Brooks, Director, Manpower Consultative Service.
Miss Marion V. Royce, Director, Women's Bureau.
Miss H. Traynor, Assistant to the Director, Women's Bureau.
Mr. F. M. Hereford, Director, Special Services Branch.
Mr. W. Thomson, Director, National Employment Service.
Mr. L. P. McCloskey, Chief, Analysis and Development Division, National Employment Service.
Mr. J. O. Devlin, Local Officer Manager, National Employment Service.

DEPARTMENT OF FINANCE

Mr. A. B. Hockin, Assistant Deputy Minister
Financial Affairs and Economic Analysis.
Mr. E. A. Oestreicher, Director,
Resources and Development Division.

DEPARTMENT OF TRADE AND COMMERCE

Mr. R. B. Crozier, Chief, General Forecast Division, Economics Branch.

DOMINION BUREAU OF STATISTICS

Dr. S. Ostry, Chief, Research and Analysis Section, Labour Division, Dominion Bureau of Statistics.

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

Mr. G. M. Isbister, Deputy Minister.
Mr. R. B. Curry, Assistant Deputy Minister (Immigration).
Mr. E. P. Beasley, Director, Policy and Planning.
Mr. J. K. Abbott, Director, Canadian Services.
Mr. J. C. Morrison, Director, Special Services.
Mr. Z. W. Sametz, Director, Economic and Social Research Division.
Mr. J. B. Bissett, A/Executive Assistant to the Assistant Deputy Minister (Immigration).

THE BANK OF CANADA

Mr. D. L. McQueen, Assistant Chief, Research Department.
Mr. J. N. R. Wilson, Research Officer.
Mr. George Post, Research Officer.
Mr. J. E. H. Conder.

The Department of Industry

Mr. W. J. Lavigne, Commissioner, Area Development Agency.
Mrs. I. E. Johnson, Economist, Program Co-ordination Division, Area Development Agency.
Mr. Gordon Haase, Chief, Program Co-ordination Division, Area Development Agency.

Economic Council of Canada

Mr. J. J. Deutsch, Chairman.
Mr. L. Couillard, Vice-Chairman.
Mr. A. J. R. Smith, Director.
Mr. D. J. Daly.
Mr. S. Chernick.

Fonctionnaires du Ministère du Travail de la Province de Québec

M. Gérard Tremblay, Sous-ministre.
M. Donat Quimper, Sous-ministre associé.
M. Rémi Lair, Directeur du Service de l'aide à l'apprentissage.
M. Roger Bergeron, Directeur des Bureaux de placement.
M. Gilles Néron, Directeur du Service de recherche et d'information.

Ministère de l'Éducation de la Province de Québec.

M. Gilles Bergeron, Sous-ministre adjoint.

Conseil d'Orientation économique de Québec

M. Germain Dallaire. Conseiller technique.

Department of Labour, Province of Ontario

Mr. T. M. Eberlee, Assistant Deputy Minister.
Mr. G. L. Milford, Executive Officer.
Mr. Gerald Schwartz, Economist, Research Branch.

Department of Education of the Province of Ontario

Mr. L. M. Johnston, Director, Program Branch.
Mr. N.A. Sisco, Director, Technological and Trades Training Branch.
Mr. S. A. Norton, Administrator, Ontario Vocational Centres and Programme 5 (T & TT Br.).

Department of Economics and Development Province of Ontario

Miss Helen Madge, Economist.

Ontario Economic Council

Mr. H. S. Lee, Economist.

The Canadian Labour Congress

Mr. William Dodge, Executive Vice-President.
Mr. Joseph Morris, Executive Vice-President.
Mr. William Smith, President of the Canadian Brotherhood of Railway, Transport and General Workers.
Mr. Kalmen Kaplansky, Director of International Affairs.
Mr. Russell Irvine, Associate Director of Research.

Confédération des Syndicats Nationaux

M. André l'Heureux,
Conseiller technique attaché au Secrétaire général de la CSN.

M. Bernard Solasse,
Conseiller technique spécialisé en économique.
M. J. Robert Ouellet,
Directeur professionnel de la Fédération Canadienne des Travailleurs du Textile.
M. Raymond Couture,
Conseiller en organisation syndicale.

The Canadian Manufacturers' Association

(Meeting held in the City of Toronto)
Mr. Alan D. Page, Director of Personnel,
The Goodyear Tire and Rubber Company of Canada, Limited,
New Toronto, Ontario.
Mr. K. Richan, Director of Industrial Relations,
Philips Electronic Industries Limited,
Toronto, Ontario.
Mr. W. A. M. Birt, Manager, Employee Relations,
Shell Canada Ltd.,
Toronto. Ontario.
Mr. A. L. Forsyth, Personnel Manager.
International Business Machines Co. Ltd..
Don Mills Ontario.
Mr. H. L. Shepherd, Manager, Salary Administration and Training,
Canadian Westinghouse Co. Ltd.,
Hamilton, Ontario.
Mr. J. A. Campbell, Plant Manager,
Northern Electric Company, Limited,
Bramalea, Ontario.
Mr. G. Robertson, Manager of Training,
Ford Motor Company of Canada Limited,
Oakville. Ontario.
Mr. J. Sukloff, Specialist. Communications and Education.
Canadian General Electric Company, Limited,
Toronto, Ontario.
Mr. I. Freedman, Manager, Industrial Relations Department, Canadian Manufacturers' Association.
Mr. F. L. Schmidt.
Canadian Manufacturers' Association.

The Canadian Manufacturers' Association

(Meeting held in the City of Montreal)
Mr. P. M. Draper, Vice-President,
Canada Iron Foundries Limited,
1121 Place Ville-Marie,
Montreal, Que.
Mr. Jacques Villeneuve, Vice-Président, Personnel,
Johnson & Johnson Limited,
2155 Pie IX Blvd..
Montreal, Que.
Mr. W. R. Lawson. Vice-President,
Bell-Kilgour Division.
DOMTAR Packaging Limited,
2660 Mullins St..
Montreal, Que.
Mr. Frank C. Burnet, Industrial Relations Manager,
Canadian Industries Limited.
P. O. Box 10,
Montreal, Que.
Mr. T. H. Robinson, Manager, Industrial Relations,
Canadian International Paper, Co,
942 Sun Life Bldg.,
Montreal, Que.

Mr. J. P. Despres, Director of Industrial Relations,
Iron Ore Company of Canada,
Sept-Iles, Que.

Mr. Pat Nolan, Labour Relations Manager,
Northern Electric Co. Ltd.,
1600 Dorchester Blvd. West,
Montreal, Que.

Mr. Fred Collier, Director of Industrial Relations,
Canada Iron Foundries Limited,
1122 Place Ville-Marie.
Montreal, Que.

CANADIAN UNIVERSITIES

University of Toronto

Professor John H. G. Crispo,
Director,
Centre for Industrial Relations.

Professor D. A. A. Stager,
Department of Political Economy.

Professor N. M. Meltz,
Department of Political Economy.

Université de Montréal

Professeur Gilles Beausoleil,
Directeur,
Centre des Relations Industrielles.

Mc Gill University

Professor H. D. Woods,
Dean,
Faculty of Arts and Science.

Professor Pierre-Paul Proulx,
Department of Economics.

Université Laval

Professeur Jean-Réal Cardin,
Directeur,
Département des Relations Industrielles.

Professeur Jacques St. Laurent,
Secrétaire,
Département des Relations Industrielles.

Part IV

REPLIES BY THE CANADIAN AUTHORITIES TO THE EXAMINERS' QUESTIONS

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Question:

1. What are the main manpower policy implications of the recent economic upswing in Canada? To what extent is it necessary to revise the major objectives set during the years of high unemployment?

Answer:

The current economic upswing in Canada has been a very sustained one. It started in 1961, it is still underway, and of course it is hoped that it will continue indefinitely. The resulting sustained improvement in the economic situation has brought an increase of 17 per cent in non-agricultural employment, and has lowered the seasonally adjusted unemployment rate from a peak of 7.8 per cent in the first quarter of 1961 to 4 per cent in the first quarter of 1965.

This improvement, which is a little more pronounced than in the case of the United States, has not altered the main goals of economic policy in Canada, which are to achieve and maintain a low level of unemployment with a reasonable degree of price stability, to attain as high a rate of economic growth as possible, and to distribute equitably the proceeds of this growth to various population groups and regions in the country. Very recently, for example, the government in presenting its budget to parliament announced a number of policy changes — including most notably a 10 per cent reduction in individual income tax rates — which indicate that economic policy continues to be expansionary despite the marked drop which has occurred in unemployment and the development of manpower shortages in certain sectors of the economy.

With respect to manpower policy, this economic improvement has altered the priorities which are accorded to the main measures needed to achieve our economic growth goals. With the economy operating closer to full utilization of manpower resources, there is a need for greater emphasis on specific measures to prevent and overcome manpower bottlenecks. During times of heavy unemployment there are no bottlenecks and such policies have little immediate contribution to make towards the achievement of economic goals.

To put the point succinctly, Canada's economic goals remain stable, but the mix of policies needed shifts as the economy moves closer to full employment. Policies for the geographical movement of workers to meet bottleneck situations, policies to train unemployed or under-employed workers for occupations where jobs are growing, and policies to strengthen the effectiveness of the employment service, all become of crucial importance in such a period.

The Canadian government has recently announced a new manpower mobility programme. In addition, the government is engaging now not only in training policies and programmes to facilitate long-run economic growth, but also giving added emphasis to the training of adults in industry so that they can be adapted to employment in occupations where shortages are developing. Private policy within individual companies and organizations, and the role that unions play in respect to increasing the efficient utilisation of manpower, will assume greater importance as the labour market tightens.

Finally, policies which are focused on regional and area pockets of underutilized manpower become important in the present economic situation. Policies in this field are developing in Canada to a significant extent not only on the supply side of the labour market but also in respect to the structure of labour demand. The task of stimulating greater employment growth in areas where manpower surpluses exist is now of considerable importance.

Question :

2. What lessons have been learnt in applying measures to diminish seasonal unemployment?

Answer :

Particular care must be taken in establishing which months of the year are to be considered as " winter " for the purpose of the programmes to stimulate winter employment. If the winter period which is established is too long, the tendency is to increase employment during the fall and spring of the year rather than during the period when winter weather is most severe and seasonal unemployment usually reaches its peak. This has been the experience in relation to the Municipal Winter Works Incentive Programme.

While the promotional campaign to encourage increased winter work has been quite effective it is not possible to assess the precise degree of effectiveness. The provision of financial incentives to municipalities and to the purchasers of winter-built houses has perhaps been more effective in creating additional winter employment; in any event these programmes permit a reasonably accurate measurement of results.

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NOTES CONCERNING THIS QUESTION

a) Under the ***Municipal Winter Works Incentive Programme*** the federal government reimburses municipalities 50 per cent of payroll costs incurred on municipal public works projects carried out during the winter months which would normally be carried out during the summer. This programme has been in effect for seven winters. During the winter of 1958-59 when it was first introduced, 41,539 on-site jobs were provided, involving 1,695,733 man-days of work. The federal contribution amounted to some $ 6,000,000.

Participation by municipalities in this programme has increased over the years. During the winter of 1964-65 an estimated 165,000 on-site jobs were provided involving almost 8,000,000 man-days of work, the estimated cost to the federal government being approximately $ 60,000,000.

b) The ***Winter House Building Incentive Programme*** was introduced during the winter of 1963-64. Under this programme the federal government makes an incentive payment of $ 500 to the first purchasers of housing units substantially built during the winter months. The incentive payment is confined to single detached dwelling units and multiple dwellings which contain not more than four self-contained units. A total of 28,000 dwelling units qualified for the incentive payment under the programme of 1963-64 at a cost to the federal government of $ 14,000,000. The total cost of construction of housing under the programme is estimated at $ 600,000,000. This programme was so successful that some shortages of certain classes of skilled workers occured towards the close of the programme in late March. It is estimated that houses constructed under the programme provided 90,000 on-site jobs and 115,000 jobs in the building supply and related industries.

The Winter House Building Incentive Programme was repeated during the winter of 1964-65 and while complete returns have not been received as to the number of dwelling units qualified for the incentive payment, it is estimated that somewhere between 34,000 and 35,000 units will qualify.

c) *Winter Employment Campaign.* The Winter employment promotion campaign is designed to encourage people to carry out renovations to their homes, farms and businesses during the winter months and to make expenditures on a large variety of goods, which will have the effect of increasing winter employment. This promotional campaign, which carries the slogan « Why Wait for Spring? Do It Now! », has been quite effective in shifting employment from summer to winter.

d) The federal government plans its own construction, maintenance and repair and procurement programme so as to provide maximum winter employment. Supplementary funds are provided for new federal government construction projects during the winter months in areas of slow growth and areas of high winter unemployment.

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Question:

3. Is the policy of helping designated areas primarily designed to bring employment to workers or to move workers to alternative employment outside the designated areas? Does the Government feel that the appropriate mix of these two policies is achieved in the present programme?

Answer:

It is important to distinguish between the regional development and designated area policies and objectives. In the former case, the objective is primarily to maximize economic growth in a region and policies are, therefore, developed which focus on those parts of a region where growth potential is greatest. In the case of designated areas, the concern is with long-standing pockets of under-utilized manpower resources. The primary objective here, as far as Canada is concerned, is to bring jobs to such areas. It is also important in these cases to develop special measures for education and training so that the manpower available in such areas can be prepared for the new jobs which will become available.

Although the primary objective of designated area policy is to bring employment to workers, it must also be recognized that this will not always be possible without creating temporary employment. In Canada, therefore, measures to move workers to jobs in other parts of the country are also regarded as necessary.

In April, 1965, the programme for designated areas included tax incentives to new manufacturing and processing industries which established in such areas. On the manpower side, it was felt that the general provisions of the Technical and Vocational Training Assistance Act, under which the federal government reimbursed provincial governments for 75 per cent of their capital expenditures on new training facilities and for 75 per cent of their expenditures on training programmes for unemployed workers, was sufficient for designated areas. However the government has felt that these policies were not completely satisfactory and so a complete review of this programme was initiated in the fall of 1964.

The tax incentives to industry in designated areas, although not completely satisfactory, have had notable results. Since September, 1963, when these incentives were introduced, a total of 150 firms have indicated that they intended to establish in designated areas. These new establishments will employ some 14,500 workers in their own plants and indirectly will create many additional jobs in local construction, supply and service activities. The total investment made in these new facilities will amount to more than $ 470 million, an average investment of about $ 32,500 for each worker employed in the new plants. The number of new jobs created in these new establisments represents almost three per cent of the labour force in the 35 designated areas.

Nevertheless, the government feels that this programme can be improved. In general, the improvements will take the form of replacing the tax incentives by a system of financial grants to industry and of strengthening the manpower measures which can be brought to bear on the labour force problems of these areas.

Question:

4. Is it planned to take further steps to secure a fuller utilization of human and other resources in areas of economic and social stagnation?

Answer:

The Canadian Government has announced a new « Work and Opportunity Programme » which is directly concerned with this problem. In the Speech from the Throne of April 5, 1965, the government stated :

> " All the great potentialities of our economy are not, however, being realized. The talents of some of our people are wasted because of poverty, illness, inadequate education and training, inequality in opportunities for work. To combat these problems, to improve the opportunities of people who are now at a disadvantage, is to put new power into economic expansion and to enhance the unity of our country.
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> « My government therefore is developing a programme for the full utilisation of our human resources and the elimination of poverty among our people. It will include improved measures for regional development, the re-employment and training of workers, the redevelopment of rural areas, the assistance of needy people, the renewal of areas now blighted and congested in our cities, and the establishment of new opportunities for young Canadians. Besides strengthening and broadening measures within the federal sphere of responsibility, the plan will be designed to concert them more effectively with provincial programmes. Because of the importance of this plan, my Prime Minister will take direct responsibility for its co-ordination, assisted by a special secretariat. My government will propose the calling of a special federal-provincial conference to seek full co-operation and co-ordination with policies of the provinces.
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> " As one of the major elements in this plan, my government's area development programme, which has already been of substantial assistance to industrial expansion in areas of high unemployment, will be expanded,

in consultation with the provinces, to other areas where incomes are low. You will be asked to approve measures to aid industrial expansion in these areas and to help people to take full advantage of such improved employment opportunities.

" My government will also propose improved measures to assist the re-employment of workers displaced by automation or affected by other economic changes. These measures to develop our country's human resources will include grants and loans for workers moving to new jobs, improved training programmes in industry, extended vocational services particularly for the longer term unemployed, and an expanded programme for agricultural manpower. These measures will be taken in co-operation with management and labour and, where appropriate, in conjunction with the provinces.

" You will be asked to approve the creation of a fund for rural economic development and, in order to provide for fuller integration of action for rural development, amendments to the legislation regarding the Agricultural Rehabilitation and Development Act will be placed before you. "

This is a very comprehensive programme which is concerned with problems of economic and social stagnation wherever they exist. Focusing on such problems in an area context, there will be a number of specific additional steps which the Canadian Government plans to take.

It has always been felt that such areas should be designated on the basis of objective criteria. This policy will continue but the criteria are being broadened to take into consideration under-employment as measured by low family income as well as unemployment. This extension of the criteria, as well as a number of other changes in them, will result in the designation of a larger number of areas and in the developing of areas so that a greater potential for development is offered.

To stimulate employment opportunities in these areas, development grants will be offered to new and existing manufacturing and processing industries which establish new plants or expand existing ones in such areas. These grants will be based upon the fixed capital outlays incurred by the enterprise establishing or expanding in designated areas. The grant will be proportionately larger for smaller investments because smaller firms are often well adapted to conditions in designated areas, because smaller firms are often more labour intensive, because smaller firms usually have greater difficulties in their initial financing.

In announcing these new incentives, the Minister of Industry stated, " It is not the Government's intention to encourage industries to establish in areas where their long-term prospects for success would be in doubt. While the Government will be providing financial assistance, the firms themselves will provide the bulk of the investment capital. Management will decide whether this initial capital assistance will offset the costs and other impediments to locating in designated areas as compared to alternatives. There is however a strong built-in safeguard to ensure that new enterprises in these areas will be viable on a long-term basis. "

Companies establishing new or enlarged plants in designated areas will be encouraged to provide training programmes, if necessary, so that workers in the area can be employed in the new jobs created, or to show good cause why this should not be done. In addition, a company will be required to register all the new jobs which become available with the National Employment Service Office in the area so that local workers receive the first opportunity of taking them.

Other new manpower measures will include an assessment of the adequacy of existing training facilities in designated areas, the provision of additional training facilities as may be required, and the development of experimental and pilot training projects. The federal government will also provide financial grants towards the cost of moving unemployed key skilled workers into such areas if they are not available locally.

Question:

5. In what ways can small firms be encouraged to re-equip workers for new skills required by technical change?

Answer:

In general, small firms do not employ the staff capable of determining training needs and establishing and administering effective training programmes. Therefore, they can be helped by providing assistance in evaluating their training needs and also by providing training materials and professional supervision and instructors.

Small firms can effectively group their resources to provide training services, either through their own efforts or cooperatively with Technical Schools.

Technical assistance is important especially for small firms and they, like larger firms, can be encouraged by providing financial incentives and assistance to training costs.

Assistance can also be given by providing effective community programmes based on the needs of small firms in the community, and in assisting in coordinating the efforts of several small firms in using public training facilities.

Effective government directed apprenticeship programmes with provision for publically operated related training are also useful to small firms.

Question:

6. Should an active manpower policy be based on the assumption that an increase in structural unemployment, as a result of the progress of automation, is inevitable?

Answer:

In Canada, an active manpower policy should be based on the assumption that structural unemployment *may* increase as a result of automation. One of the primary objectives of such a manpower policy should be to ensure that this does not occur. This assumption is particularly important in Canada because of its large size, the fragmented nature of its labour markets, and the increasing pace of technological change. It is our view that an active manpower policy in this situation should not aim at replacing the operation in the labour market but should rather supplement it so that it can carry out its allocation functions more effectively.

Question:

7. What special problems does the impending change in the age distribution of the Canadian population entail for manpower policy?

Answer:

In the next 5 years, the development of the Canadian labour force will be characterized by an unusually high, though gradually declining, rate of increase in the age group 14-24, a very slow rate of growth in the age group 25-44, and an above average rate of growth in the age group 45-64. In the youngest age group, the rate of growth of both sexes is expected to be approximately equal, but in the second oldest age group the female labour force will grow at a considerably faster rate, and in the oldest age group at a much faster rate.

Due to institutional causes as well as to the type of demand for female labour, the unusual growth trend in the female labour force is not likely to cause any serious problems. Both the school system and the kind of jobs available to women tend to make demand and supply of young females more evenly balanced than in the case of young males, who seem to need more « maturing » on the job.

The peculiar shape of the growth curve of the various age groups of the male labour force poses a number of problems. In general, we may be short of experienced skilled and professional workers over the next 4-5 years. At the same time, there will be a need for accommodating an unusually large number of youths aged 14 to 24 as well as providing jobs for workers over 45.

The solution of these problems, under the assumption of full employment, will require new policy measures such as :

1. Measures to ensure more effective use, all year round, of workers in the age group 25-44, who will be in scarce supply.
2. More emphasis on workers 25 years of age and over in the programmes designed to improve the training and increase the mobility of workers.
3. Speeding up the training and « experience » periods of young males, especially those coming out of our technical and vocational schools, to increase the number of skilled workers as fast as possible.
4. More efficient utilization in industry of workers of middle age.
5. Specialized training to upgrade, as much as possible, the skills and abilities of the middle age groups, including upgrading their basic education.
6. An efficient and effective labour market policy, including mobility, so as to keep continuous balance between demand and supply of experienced workers.

To implement this policy, the effectiveness of the National Employment Service must be increased.

Question:

8. To what extent is immigration policy in Canada integrated with the other aspects of manpower policy?

Answer:

A good measure of clarification has taken place concerning immigration policy as it relates to Canadian manpower policy. It can fairly be said that there is no inconsistency between the two, so far as objectives are concerned. The Department of Citizenship and Immigration operates a placement service for immigrants and there is little or no co-ordination in the operation of this service with the National Employment Service. As a result Canadian employers are being visited by the two agencies — one mainly looking for openings for immigrants and the other as part of a regular employer-visiting programme of a public Employment Service. Consideration is being given to the advisability of turning over to the National Employment Service the placement functions at present assumed by the Immigration Service.

Question:

9. Assuming that the flow of immigrants will be smaller in future, what are the policy implications, particularly for labour in the middle age-groups and in certain grades of skill?

Answer:

The policy implications of a reduced flow of immigrants must be seen against the growth rate objective, type of industrial development and the developing age structure of the Canadian labour force. Changes in industrial employment and the occupational mix over the next 5 to 10 years will also determine what sort of workers will be needed. However, the shift in the age structure which is taking place could create bottlenecks if sufficient immigrants of the right skills were not available.

Over the next few years, the Canadian labour force will expand rapidly, but the young age group will expand much more rapidly than the total labour force. This will tend to create an imbalance between the inexperienced and experienced workers. For example, in 1964 the 35 to 54 year age group of males was 30.6 per cent of the total. It will be 27.5 in 1970. Similarly, the 25-54 year age group was 46.9 per cent of total in 1964 and is expected to fall to 42.7 per cent in 1970. If full employment is assumed, and the flow of immigrants is insufficient to fill the gap, the problem will be to find other ways and means of filling this gap.

A number of steps can be taken to ease this situation. More needs to be done to identify the future requirements of the economy for experienced workers. Secondly, the National Employment Service of the Department of Labour must be given the responsibility of anticipating short-run needs and of finding the required workers. This will require better labour market information and more effective selection and placement techniques. Thirdly, strong and effective support to mobility of workers is required. The new mobility programme in Canada should fill this need. Fourth, employers must be urged to utilize more effectively the scarce supplies of experienced workers. Fifth, training opportunities for adults must be increased so as to upgrade their basic education levels and to alter and improve their skills. This action is being taken in Canada. Sixth, the young inexperienced workers can frequently be used more effectively by giving them special accelerated training courses and on-the-job training when there is a shortage of experienced workers. This is also being experimented with.

Question:

10. In view of the merging of the National Employment Service with the Department of Labour, what are the implications for the future of labour market research as an instrument of an active manpower policy?

Answer:

The merging of the National Employment Service with the Department of Labour up to this time has not led to definite conclusions with respect to the future of labour market research.

Question:

11. In what ways could the National Employment Service be made more effective as a means of promoting the retraining and rehabilitation of workers?

Answer:

The brief answer to this question is to strengthen the personnel resources of the National Employment Service both in number and in quality. This strengthening is already taking place and it was mainly because of additional programmes which come under these categories of retraining and rehabilitation of workers that this augmentation of NES staff was required. However, aside from staff resources, there is a need for a much clearer delineation and uniformity of NES responsibilities in these areas across Canada. A question which must be resolved is whether unemployed workers are « entitled » to training as a matter of right or whether discretion should be left to the Employment Service to select those workers who are likely to succeed in courses and who are likely to benefit most from training. If these matters could be clarified, the result would be a much more efficient use of training facilities which, we understand, are operating at capacity in most areas. The matter of strengthening NES staff resources should not be confined to personnel actually engaged in referral to training or referral to rehabilitation agencies. The National Employment Service at the field level should be adequately equipped with technical staff whose responsibility it would be to impart information to training authorities not only on the state of the labour market in terms of occupational needs, but on any needs developing in the future — this with a view to offering greater assistance in the establishment and setting up of vocational training courses.

Question:

12. What would be the optimum " penetration ratio " — in other words, the percentage of placements to be made by the Employment Service — to aim at and how could this optimum be best achieved?

Answer:

It is estimated that before the National Employment Service can lay claim to achieving its objectives as laid down by the ILO Convention in any substantial measure, something over 40 per cent of the country's hirings should be done through its local offices. An overall figure such as this, however, is not meaningful unless it be qualified by penetration into the various segments of the labour force. For example, if this 40 per cent or better penetration is achieved through an undue concentration on hirings of the unskilled or casual workers, this could result in a poorer organization of the labour market than could be achieved with a penetration of, say, 30 per cent, with corresponding penetration ratios among executive and professional, skilled workers, and so on. A 40 per cent or better penetration rate should include nothing less than around 25 per cent in the highest skilled categories. The foregoing figures, it will be understood, are more in the nature of informed guesses than the result of scientific studies.

As to how the optimum penetration ratio could be achieved, this rests wholly on how effective the Employment Service is in carrying out its function, combined with a publicity programme directed towards giving the public — both employers and workers — a better understanding as to facilities available through NES. A change of image must be effected — a change from the Labour Exchange or Unemployment Office concept towards one of a Community Manpower Office. This will require a much stronger and aggressive effort along the lines of publicity, and also in such matters as premises, office lay outs, and so on. The patronage of Local Employment Offices by professional workers could be increased by setting up separate executive and professional offices. Staff better qualified in the handling of professionals and highly skilled workers would also effect an increase in penetration for such categories. The payment of unemployment insurance benefit by mail, which has been carried on in some offices for several years, brought an increase in patronage both of professional workers and workers whose reasons for visiting the office were for purposes other than drawing unemployment insurance benefit. The separation of NES from Unemployment Insurance Commission, therefore, should bring similar desirable results.

Question:

13. Would a policy of promoting the movement of workers into the fastest growing regions of the country from regions of slow growth tend to increase rather than narrow inter-regional differences in prosperity?

Answer:

It appears to be possible that an isolated policy of promoting movement from slow growth to rapid growth areas would increase the prosperity difference between *areas.* In a static context, the smaller population will face higher real costs in providing for certain social overheads. In a growth context, it seems probable that an anticipated population decline or stagnation of the rate of population growth would tend to make the establishment of new, market oriented, industries less attractive in such areas.

On the other hand, if we assume a high level of unemployment and underemployment in the slow growth region, which is a customary characteristic, and if policy were directed solely to shifting these people to the fast-growing regions, a number of positive effects should accrue. Certainly, during the period of syphoning off the surplus labour, the current social costs of the slow-growing region should decline, which might assist the region in making more positive employment-creating investment. Secondly, moving out the under-utilized labour would leave a higher percentage of the working population engaged in more productive work with the consequent increase in " prosperity ". Exactly what the balance between these opposing tendencies will be is difficult to say. In part, no doubt, it would depend on the nature of the area from which the exodus took place, the relative size of the exodus, the educational and demographic distribution of the movers and non-movers, etc.

Even under unfavourable conditions, it should be noted, the per capita incomes of the average of movers and non-movers should be higher than in the absence of any policy because of the increased percentage employed and the presumably considerable increased average incomes of the movers.

Of course, this is not the sort of policy which is being developed in Canada, in part because it is felt that the returns to such a single mobility policy will be less than if other appropriate policies are introduced. What is aimed at in Canada is to provide a coordinated set of policies to deal simultaneously with overcoming the lack of geographic mobility, lack of industrial development and insufficient education, training and retraining of the population of the slow growth region. It is hoped that such an integrated set of measures will work in the direction of narrowing the inter-regional differences in " prosperity " or at a minimum, may prevent them from widening.

Question:

14. What methods does the Department of Labour use in evaluating the results of federally supported training programmes?

Answer:

The Department of Labour does not do regular follow-up studies. However, research studies have been undertaken on the Transition from School to Work and on the Training of Unemployed Programmes. These studies provide some follow-up. Such studies will be continued and expanded under new federal-provincial research provisions in the Federal-Provincial Training Agreements.

Inter-provincial examinations provide an effective means of evaluating the achievement and effectiveness of apprenticeship programmes for which such examinations have been set up.

We also depend to a large extend on feedback through advisory committees as to the effectiveness of present programmes and the need for additional programmes to round out a complete manpower programme. We look to industrial training advisory committees to provide more effective evaluation and direction than we have had in the past with more general committees.

Question:

15. What principles do the provincial educational authorities apply in choosing the courses to include in their curricula for vocational education?

Answer:

Provincial education authorities act or choose courses on advice of advisory committees which include the National Employment Service. They give priority to the occupational needs of the area served by the school. The choice is usually based on area or regional studies of needs and occupational trends.

Information from employers is used extensively to guide the training services established.

The current Alberta study on the interests and plans of high school graduates will also have a bearing on the courses which will be provided by provincial officials.

Question:

16. What reforms are desirable in the system of vocational guidance?

Answer:

Vocational guidance in Canada needs strengthening in a number of important respects. More needs to be known about the way in which the vocational aspirations of young people are formed and modified, and about the effects of family background, community setting, the school system, and available guidance services on these aspirations. More information needs to be developed on occupational requirements and prospects. Vocational guidance services in the schools need to be brought into closer touch with the National Employment Service. The calibre of people available for vocational guidance work needs to be raised.

In respect to the first problem, a study of the effects of the career decisions of Canadian youth is at present being undertaken by the Economics and Research Branch of the Department of Labour in co-operation with Departments of Education in all provinces. This research project will focus on the way in which the school system (i.e. types of schools, course programmes, teachers, guidance counselling services, administrative structure and organization) is influencing the vocational and educational aspirations of high school students. It will provide valuable insights for the assessment of secondary school course programmes in vocational guidance services and teaching arrangements. The study will be based on a sample of schools numbering about 350 and will include about 150,000 students. Questionnaires covering socio-economic characteristics and attitudes and two psychometric tests will be used. It is planned to complete this study by the spring of 1967.

The Department of Labour has for many years provided occupational information through an occupational monograph and filmstrip series. Steps are being taken to expand this programme. The measures now being taken to strengthen the National Employment Service will include provision for developing better labour market information there. In these two ways, it is intended that a first class programme of occupational and labour market information for Canada will be established.

The National Employment Service is also taking steps to develop its job counselling services and to extend its contacts with the school system. Efforts are being made to provide more information to students about the labour market, to advise potential school drop-outs about job prospects, and to assist vocational guidance personnel in the schools wherever possible.

An important new development in Canada is the appearance of an interest and concern with vocational guidance services on a national level. In 1964, a National Seminar on Guidance and Counselling was held, under the auspices of the Canadian Association for Adult Education, at which much attention was given to the problem of vocational guidance and the importance of strengthening personnel engaged in such work. In October 1965, a Founding Conference of the Canadian Guidance and Counselling Association will be held to establish a national organization for vocational guidance counsellors, which will be concerned among other things with improving further the standards of such services. The Department of Labour, through its National Employment Service, is assisting in this conference.

Question:

17. What are the chief problems concerning the supply and education of teachers needed for the substantial expansion in vocational and technical training?

Answer:

The supply of occupationally competent teachers for the developing programmes has not been a serious problem in Canada.

Well-qualified instructors have been found in adequate numbers when pay scales are comparable to salaries in industry.

The professional training of occupationally competent teachers has taxed the teacher training resources. New programmes have been established in several provinces and extensive use is being made of ongoing inservice training programmes.

Question:

18. What should be the respective roles of federal and provincial authorities in forecasting future manpower needs? On what principles should such forecasting be based? Have targets been set for training in specific occupations? Are there manpower agencies in any of the provinces? What is being done to encourage their formation?

Answer:

Both the federal and provincial governments should be engaged in forecasting future manpower needs. The reason for this is that many of the policies which take such forecasts into consideration are in fact the joint responsibility of both levels of government, and that the usefulness of research for policy is much greater if the policy groups concerned participate actively in related research projects.

In general, we feel that the responsibility for developing methodology and forecasting techniques should be primarily that of the federal government and that it should, as a result, advise and assist the provincial governments on the technical side of this work. Each level of government, however, should develop its own assessments of future manpower needs and should assess their implications for policy.

In addition to providing technical assistance, the federal government should also provide some financial assistance for related research projects. A programme of financial assistance for manpower and training research was inaugurated by the federal government in 1965.

Long-term manpower forecasts should be developed in the context of general economic goals. Where these goals have been clarified, as for example in terms of production or income, their consequences should then be worked out in manpower terms. In doing this, it is important to keep in mind that there is a considerable degree of substitutability of one kind of worker for another and of capital for labour, both depending on the changes taking place in their relative prices and in the technology of production. It is important, therefore, that occupations be grouped together into relatively autonomous categories (i.e., natural scientists, engineers, and scientific and engineering technicians might be treated as a group since they can be interchanged to a considerable extent depending on changes in their relative salaries), and that these categories and their components be related in a meaningful way to the structure of the educational and training system.

Employment forecasting should not be regarded simply as a government responsibility. It is also important that employers be encouraged and assisted in planning and anticipating their manpower requirements to a much greater extent than is at present done in Canada. Thus, the general objective should be to develop national and provincial projections of manpower needs and to supplement these by encouraging employers to work out their manpower requirements at the level of the undertaking as fully as possible.

Question:

19. What measures need to be taken to strengthen on-the-job training programmes in Canadian industry?

Answer:

More professional training directors and more trained instructors are required in industry to provide the direction and supervision that is needed to strengthen on-the-job training.

Integration of on-the-job and school-based programmes should be encouraged and developed.

By limiting financial assistance from public funds to effective and strong on-the-job programmes, we will encourage industry to strengthen their programmes.

Provision of effective and usable training programmes and similar technical assistance is also helpful.

Technical assistance is required by many industries to plan and implement on-the-job training programmes. Such services can be provided by technical training agencies.

Question:

20. What significance is to be attached to the increase in participation rate of women workers and what are the policy implications?

Answer:

There is, of course, the very obvious inference that the increase in the participation rate of women workers has resulted from a high level of demand for their services. Expansion of employment demand has occurred in the service sector of the economy in occupational areas in which women traditionally have been engaged, such as the care, education and training of children; the care of the sick; the preparation of food; the making, repairing and cleaning of clothes. It has occurred also in record-keeping and clerical work, particularly in the role of the stenographer and the typist, which have become almost exclusively women's occupations.

The level of demand for their services is a more effective factor in the labour force participation of women than of men. Moreover, elastic supply of women workers at a relatively low range of wage scales probably contributes to the disproportionate increase in women's employment as compared with the increase in the employment of men.

The narrow occupational distribution of women workers, despite their increased labour force participation, reflects the rigidity of traditional divisions between men's work and women's work which limit the range of employment opportunities of both men and women.

The steadily increasing participation rate of women workers is evidence, however, that women are in the working world to stay. They constitute a growing, and in some ways, a new resource of manpower that will require and, indeed, warrant more effective development and utilization than in the past.

With respect to the social milieu, it should be noted that the increasing participation rate of women reflects a distinct, if often reluctant, change in social attitudes towards the employment of married women outside the home.

Policy Implications

Explicit recognition of the fact that women workers are an essential and, at the same time, a distinctive element in the manpower resources of the nation is the premise of policy development in this area.

Working from this premise there is need for a well-planned, imaginative programme of study and research to increase available knowledge regarding the effective development and use of womanpower, including for example :

— study of the utilization of women workers in reasonably controlled situations such as the public service;

— pilot projects in counselling, education and training for adult women seeking re-entry into the labour market;

— encouraging girls and women to consider occupations in less traditional women's fields, while taking steps to stimulate opportunities of employment for them in such fields;

— efforts to expand areas of employment of both women and men, breaking down gender barriers in respect to feminine and masculine occupations.

Because of the increasing place of gainful work in women's lives, the development of suitable policies of adjustment to meet the special problems of women workers that arise from their maternal role and their changing civic, economic, and social status assumes new urgency. These include, on the one hand, such measures as more adequate day care services for children; provision for maternity leave; part time work, adequately regulated to prevent exploitation whether by employers or workers; and on the other, equal pay for equal work; minimum wage legislation, providing the same minimum rates for workers of both sexes; endorsement of the principle of employment and advancement on the basis of qualifications in relation to the requirements of the job irrespective of the sex of the individual.

At the same time, a continuing programme of information and public education is required to bring about a climate of opinion conducive to more effective development and utilization of womanpower.

Question:

21. Will a concentration of the training effort on young people tend to result in inequality of opportunity between the young and the older age groups.

Answer:

The answer to this question is " yes ". Realizing that such inequality of opportunity would develop, we have pressed ahead with training programmes for both young people and older workers, to ensure tht the redundancy of older workers can be offset by retraining and upgrading.

Question:

22. What criteria are being used to find out whether the various programmes of vocational training and guidance correspond to the needs of the economy?

Answer:

A. *Research*

Many agencies of government at both the provincial and federal levels have available and gather information and carry on research related to manpower requirements. One competent authority at the provincial level, preferably the training authority, should be responsible for gathering such information and basing their decisions on training programmes on such information and research. One group should be made responsible for initiating and co-ordinating most of the research on manpower needs as well as additional research as it relates to teaching methods, curricula and techniques generally.

B. *Determination of Occupations and Levels of Training*

Determination of what range of courses to offer should be established on the basis of research on training requirements, and the department or agency of government which carries on the training and operates the facilities should assume the final responsibility for the choice of courses and the levels at which they are offered. The individual provinces are in the best position to provide effective machinery for ensuring the adequate communication of information from industry relating to both short and long-term training requirements.

C. *Occupational Analyses, Course Content and Curriculum Development*

Occupational analyses and, to a large degree, the co-ordination of endeavours to establish standard curricula are mainly the responsibility of the federal government, whereas provincial training authorities will ensure that course offerings are related to local needs.

D. *Planning, Development and Co-ordination of Publicly-Sponsored Training Programmes*

It is most important to ensure the integrated and balanced development of all programmes so that there will be compatibility between them. At the national level the Technical and Vocational Training Advisory Council and, at the provincial level, the provincial advisory committees play a role to ensure that no one training area is given undue emphasis so as to create an imbalance in fulfilling the needs of various elements of the population or of the various segments of the economy.

E. *Responsibility for the Administration and Operation of Individual Programmes*

Responsibility for particular training programmes should be undertaken by the department or agency which the government of the province considers has or can most readily develop the capability. In the area of manpower development generally, it is becoming increasingly apparent that some machinery within the government, for policy co-ordination over the activities of the various departments and agencies concerned, is required to define overall objectives and ensure that various programmes are developed in an integrated and balanced way to meet them.

F. *Vocational Guidance and Counselling*

Criteria for guidance will evolve from the " Careers " study which is being carried on in co-operation with the provinces.

G. *Standards of Competence*

In general, acceptance of standards of competence should primarily be established and maintained by public authority even though private occupational associations or industry groups may be involved in the setting of minimum standards. The setting of these standards and the supervision of the certification or licensing programme should be by a group that is independent of the training authority but is still a public authority, not subject to undue pressures from vested interests.

H. *Evaluation of Programmes*

It is not considered desirable to have all of the evaluation work undertaken by the operational group responsible for administering programmes.

Effective organization on the above basis for federal-provincial co-operation will help to ensure that vocational training programmes are effective and meet the needs of the economy.

Part V

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